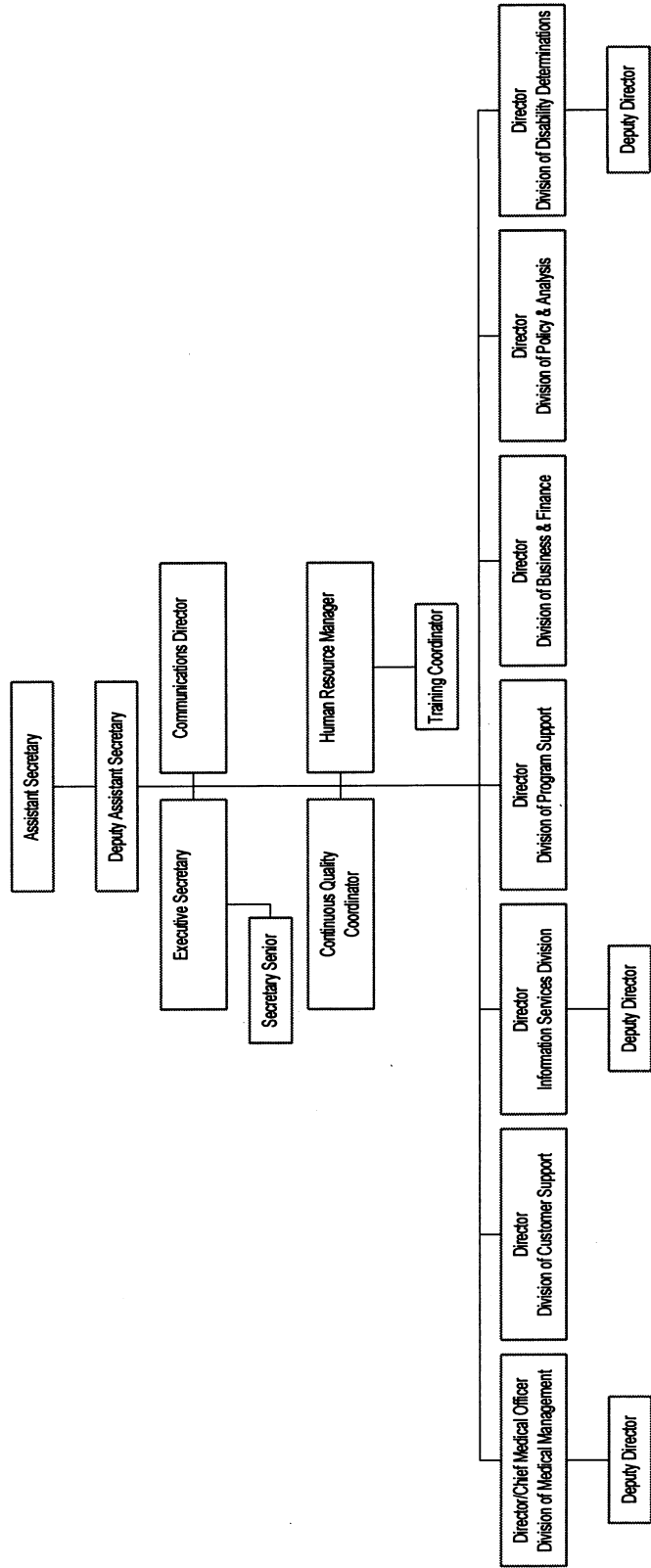


**Section 1**  
**Organization Chart**

Code		Title
AGENCY	300	Department of Social and Health Services
PROGRAM	080	Medical Assistance Administration
SUBPROGRAM		

# MEDICAL ASSISTANCE ADMINISTRATION







Fund and FTE Detail by Fiscal Year

Budget Period: 2005-07			
Agency: Dept of Social and Health Services			
Version: 11			
Budget Level: PL			
Sorted by: Decision Package Code			
Show Locked Only: No			
Include RecSum Text: No			

<u>Element</u>	<u>Selection</u>	<u>Grp</u>
Agcy-Activity:	(All)	2
Program:	080	1
Sub-Program	(None)	
Activity:	(None)	
Sub-Activity:	(None)	
Task:	(None)	

<u>Element</u>	<u>Selection</u>	<u>Grp</u>
Division:	(None)	
Branch:	(None)	
Section:	(None)	
Unit:	(None)	
Cost Center:	(None)	

<u>Element</u>	<u>Selection</u>	<u>Grp</u>
Project:	(None)	
Sub-Project:	(None)	
Phase:	(None)	
Budget Unit:	(None)	

Program - 080 - Medical Assistance

Agency Activity - H001 - Administrative Costs

Pgm:080

Total Current Biennium		322.1		353.0		337.6		110,008,000		178,741,000		288,749,000			
Current Biennium Fund Totals															
001-1	General Fund-State							30,335,000		37,574,000		67,909,000		23.52%	
001-2	General Fund-Federal							2,717,000		4,045,000		6,762,000		2.34%	
001-7	General Fund-Private/Local							1,000,000		49,939,000		50,939,000		17.64%	
001-C	General Fund-DSHS Medicaid Federa							73,546,000		84,698,000		158,244,000		54.80%	
760-1	Health Services Trust-State							2,410,000		2,485,000		4,895,000		1.70%	
996-Z	Estimated All Other-Other	322.1		353.0		337.6									
00 Carry Forward Adjustments		0.3		(29.0)		(14.4)		(16,886,000)		(18,642,000)		(35,528,000)			
001-1	General Fund-State							(1,026,000)		(2,180,000)		(3,206,000)		9.02%	
001-2	General Fund-Federal							961,000		(80,000)		881,000		(2.48)%	
001-C	General Fund-DSHS Medicaid Federa							(16,821,000)		(16,382,000)		(33,203,000)		93.46%	
996-Z	Estimated All Other-Other	0.3		(29.0)		(14.4)									
Total Carry Forward Level		322.4		324.0		323.2		93,122,000		160,099,000		253,221,000			
% Change from Current Biennium		0.1%		(8.2)%		(4.3)%		(15.3)%		(10.4)%		(12.3)%			
Total Carry Forward Level Fund Totals															
001-1	General Fund-State							29,309,000		35,394,000		64,703,000		25.55%	
001-2	General Fund-Federal							3,678,000		3,965,000		7,643,000		3.02%	
001-7	General Fund-Private/Local							1,000,000		49,939,000		50,939,000		20.12%	
001-C	General Fund-DSHS Medicaid Federa							56,725,000		68,316,000		125,041,000		49.38%	
760-1	Health Services Trust-State							2,410,000		2,485,000		4,895,000		1.93%	
996-Z	Estimated All Other-Other	322.4		324.0		323.2									
94 Mandatory Workload Adjustments		24.0		24.0		24.0		1,683,000		1,495,000		3,178,000			
001-1	General Fund-State							735,000		654,000		1,389,000		43.71%	
001-C	General Fund-DSHS Medicaid Federa							948,000		841,000		1,789,000		56.29%	
996-Z	Estimated All Other-Other	24.0		24.0		24.0									

## Fund and FTE Detail by Fiscal Year

	Fiscal Year 1	Fiscal Year 2	Annual Average	Fiscal Year 1	Fiscal Year 2	Total Funds	Percent Share of Recsum
	FTEs	FTEs	FTEs	Funds	Funds		
<b>Carry Forward Plus Workload Changes</b>	<b>346.4</b>	<b>348.0</b>	<b>347.2</b>	<b>94,805,000</b>	<b>161,594,000</b>	<b>256,399,000</b>	
% Change from Current Biennium	7.5%	(1.4)%	2.9%	(13.8)%	(9.6)%	(11.2)%	
<b>Carry Forward Plus Workload Changes Fund Totals</b>							
001-1 General Fund-State				19,253,000	18,357,000	37,610,000	19.23%
001-2 General Fund-Federal				33,391,000	34,092,000	67,483,000	34.51%
001-7 General Fund-Private/Local				1,051,000	1,000,000	2,051,000	1.05%
001-C General Fund-DSHS Medicaid Federa				46,229,000	41,713,000	87,942,000	44.98%
760-1 Health Svcses Trust-State				225,000	221,000	446,000	0.23%
996-Z Estimated All Other-Other	596.0	603.6	599.8				
<b>8L Lease Rate Adjustments</b>				<b>87,000</b>	<b>314,000</b>	<b>401,000</b>	
001-1 General Fund-State				41,000	116,000	157,000	(0.26)%
001-2 General Fund-Federal					68,000	68,000	(0.11)%
001-C General Fund-DSHS Medicaid Federa				46,000	130,000	176,000	(0.29)%
<b>9M Medical Inflation</b>				<b>505,000</b>	<b>1,036,000</b>	<b>1,541,000</b>	
001-1 General Fund-State				24,000	49,000	73,000	(0.12)%
001-2 General Fund-Federal				481,000	987,000	1,468,000	(2.41)%
<b>9Z Recast to Activity</b>	<b>211.6</b>	<b>217.6</b>	<b>214.6</b>	<b>(25,908,000)</b>	<b>(91,063,000)</b>	<b>(116,971,000)</b>	
001-1 General Fund-State				(14,684,000)	(20,657,000)	(35,341,000)	58.06%
001-2 General Fund-Federal				29,232,000	29,072,000	58,304,000	(95.79)%
001-7 General Fund-Private/Local				51,000	(48,939,000)	(48,888,000)	80.32%
001-C General Fund-DSHS Medicaid Federa				(38,322,000)	(48,275,000)	(86,597,000)	142.27%
760-1 Health Svcses Trust-State				(2,185,000)	(2,264,000)	(4,449,000)	7.31%
996-Z Estimated All Other-Other	211.6	217.6	214.6				
<b>FD Wide Area Network (WAN) Usage</b>				<b>143,000</b>	<b>93,000</b>	<b>236,000</b>	
001-1 General Fund-State				71,000	46,000	117,000	(0.19)%
001-C General Fund-DSHS Medicaid Federa				72,000	47,000	119,000	(0.20)%
<b>HA MMIS Reprourement</b>	<b>35.0</b>	<b>35.0</b>	<b>35.0</b>	<b>28,545,000</b>	<b>22,307,000</b>	<b>50,852,000</b>	
001-1 General Fund-State				3,264,000	2,480,000	5,744,000	(9.44)%
001-C General Fund-DSHS Medicaid Federa				25,281,000	19,827,000	45,108,000	(74.11)%
996-Z Estimated All Other-Other	35.0	35.0	35.0				
<b>HE HIPAA Funding</b>	<b>3.0</b>	<b>3.0</b>	<b>3.0</b>	<b>1,972,000</b>	<b>1,102,000</b>	<b>3,074,000</b>	
001-1 General Fund-State				493,000	275,000	768,000	(1.26)%
001-C General Fund-DSHS Medicaid Federa				1,479,000	827,000	2,306,000	(3.79)%
996-Z Estimated All Other-Other	3.0	3.0	3.0				
<b>Total Maintenance Level</b>	<b>596.0</b>	<b>603.6</b>	<b>599.8</b>	<b>100,149,000</b>	<b>95,383,000</b>	<b>195,532,000</b>	
% Change from Current Biennium	85.0%	71.0%	77.7%	(9.0)%	(46.6)%	(32.3)%	

## Fund and FTE Detail by Fiscal Year

	Fiscal Year 1	Fiscal Year 2	Annual Average	Fiscal Year 1	Fiscal Year 2	Total Funds	Percent Share of Resum
	FTEs	FTEs	FTEs	Funds	Funds		
<b>Total Maintenance Level Fund Totals</b>							
001-1 General Fund-State				19,253,000	18,357,000	37,610,000	19.23%
001-2 General Fund-Federal				33,391,000	34,092,000	67,483,000	34.51%
001-7 General Fund-Private/Local				1,051,000	1,000,000	2,051,000	1.05%
001-C General Fund-DSHS Medicaid Federa				46,229,000	41,713,000	87,942,000	44.98%
760-1 Health Services Trust-State				225,000	221,000	446,000	0.23%
996-Z Estimated All Other-Other	596.0	603.6	599.8				
<b>9G FTE Staff Adjustment</b>	<b>(0.1)</b>	<b>(0.1)</b>	<b>(0.1)</b>				
996-Z Estimated All Other-Other	(0.1)	(0.1)	(0.1)	(2,000)	(2,000)	(4,000)	(0.03)%
<b>9T Transfers</b>	<b>(0.1)</b>	<b>(0.1)</b>	<b>(0.1)</b>	<b>(1,000)</b>	<b>(1,000)</b>	<b>(2,000)</b>	<b>(0.03)%</b>
001-1 General Fund-State				(1,000)	(1,000)	(2,000)	(0.03)%
001-C General Fund-DSHS Medicaid Federa				(1,000)	(1,000)	(2,000)	(0.03)%
996-Z Estimated All Other-Other	(0.1)	(0.1)	(0.1)				
<b>DB Children Aging Out of Other Svcs</b>	<b>1.0</b>	<b>2.0</b>	<b>1.5</b>	<b>71,000</b>	<b>124,000</b>	<b>195,000</b>	<b>1.48%</b>
001-C General Fund-DSHS Medicaid Federa				35,000	62,000	97,000	1.48%
760-1 Health Services Trust-State				36,000	62,000	98,000	1.50%
996-Z Estimated All Other-Other	1.0	2.0	1.5				
<b>HJ Medical Nutrition Scope of Coverage</b>	<b>3.0</b>	<b>3.0</b>	<b>3.0</b>	<b>186,000</b>	<b>167,000</b>	<b>353,000</b>	<b>2.69%</b>
001-1 General Fund-State				93,000	83,000	176,000	2.69%
001-C General Fund-DSHS Medicaid Federa				93,000	84,000	177,000	2.70%
996-Z Estimated All Other-Other	3.0	3.0	3.0				
<b>HL School Ad-Match</b>	<b>(2.0)</b>	<b>(2.0)</b>	<b>(2.0)</b>	<b>(122,000)</b>	<b>(122,000)</b>	<b>(244,000)</b>	<b>(1.88)%</b>
001-1 General Fund-State				(61,000)	(62,000)	(123,000)	(1.85)%
001-C General Fund-DSHS Medicaid Federa				(61,000)	(60,000)	(121,000)	(1.85)%
996-Z Estimated All Other-Other	(2.0)	(2.0)	(2.0)				
<b>HM MAA Relocation</b>				<b>2,744,000</b>		<b>2,744,000</b>	
001-1 General Fund-State				1,372,000		1,372,000	20.95%
001-C General Fund-DSHS Medicaid Federa				1,372,000		1,372,000	20.95%
<b>HP MMIS Electronic Billing</b>	<b>1.0</b>	<b>1.0</b>	<b>1.0</b>	<b>223,000</b>	<b>182,000</b>	<b>405,000</b>	<b>1.56%</b>
001-1 General Fund-State				56,000	46,000	102,000	1.56%
001-C General Fund-DSHS Medicaid Federa				167,000	136,000	303,000	4.63%
996-Z Estimated All Other-Other	1.0	1.0	1.0				
<b>HT Emergency Department Utilization</b>	<b>1.5</b>	<b>1.5</b>	<b>1.5</b>	<b>747,000</b>	<b>734,000</b>	<b>1,481,000</b>	
001-1 General Fund-State				373,000	367,000	740,000	11.30%
001-C General Fund-DSHS Medicaid Federa				374,000	367,000	741,000	11.32%
996-Z Estimated All Other-Other	1.5	1.5	1.5				
<b>HU Reinstate Children's Health Program</b>	<b>1.9</b>	<b>4.0</b>	<b>3.0</b>	<b>132,000</b>	<b>266,000</b>	<b>398,000</b>	<b>6.08%</b>
001-1 General Fund-State				132,000	266,000	398,000	6.08%
996-Z Estimated All Other-Other	1.9	4.0	3.0				

Fund and FTE Detail by Fiscal Year

		Fiscal Year 1	Fiscal Year 2	Annual Average	Fiscal Year 1	Fiscal Year 2	Total Funds	Percent Share of Recsum
		FTEs	FTEs	FTEs	Funds	Funds		
LC	Part D Administration Costs	9.0	9.0	9.0	617,000	548,000	1,165,000	8.92%
	001-1 General Fund-State				309,000	275,000	584,000	
	001-C General Fund-DSHS Medicaid Federa				308,000	273,000	581,000	8.87%
	996-Z Estimated All Other-Other	9.0	9.0	9.0				
PA	Electronic Intrusion Prevention				49,000	6,000	55,000	
	001-1 General Fund-State				25,000	3,000	28,000	0.43%
	001-C General Fund-DSHS Medicaid Federa				24,000	3,000	27,000	0.41%
	2005-07 Total Proposed Budget	611.2	621.9	616.6	104,794,000	97,286,000	202,080,000	
% Change from Current Biennium		89.8%	76.2%	82.7%	(4.7)%	(45.6)%	(30.0)%	
2005-07 Budget Fund Summary Totals								
001-1 General Fund-State					21,551,000	19,334,000	40,885,000	20.23%
001-2 General Fund-Federal					33,391,000	34,092,000	67,483,000	33.39%
001-7 General Fund-Private/Local					1,051,000	1,000,000	2,051,000	1.01%
001-C General Fund-DSHS Medicaid Federa					48,540,000	42,577,000	91,117,000	45.09%
760-1 Health Svcses Trust-State					261,000	283,000	544,000	0.27%
996-Z Estimated All Other-Other		611.2	621.9	616.6				
Total Agency Activity - H001								
Pgm:080								
2003-05 Current Biennium		322.1	353.0	337.6	110,008,000	178,741,000	288,749,000	
Total Carry Forward Level		322.4	324.0	323.2	93,122,000	160,099,000	253,221,000	
% Change from Current Biennium		0.1%	(8.2)%	(4.3)%	(15.3)%	(10.4)%	(12.3)%	
Carry Forward Plus Workload Changes		346.4	348.0	347.2	94,805,000	161,594,000	256,399,000	
% Change from Current Biennium		7.5%	(1.4)%	2.9%	(13.8)%	(9.6)%	(11.2)%	
Total Maintenance Level		596.0	603.6	599.8	100,149,000	95,383,000	195,532,000	
% Change from Current Biennium		85.0%	71.0%	77.7%	(9.0)%	(46.6)%	(32.3)%	
2005-07 Total Proposed Budget		611.2	621.9	616.6	104,794,000	97,286,000	202,080,000	
% Change from Current Biennium		89.8%	76.2%	82.7%	(4.7)%	(45.6)%	(30.0)%	
Agency Activity - H023 - Disproportionate Share								
Hospital/Proshare								
Pgm:080								
Total Current Biennium					348,271,000	336,642,000	684,913,000	
Current Biennium Fund Totals								
001-1 General Fund-State					(5,500,000)		(5,500,000)	(0.80)%
001-7 General Fund-Private/Local					72,275,000	85,999,000	158,274,000	23.11%
001-C General Fund-DSHS Medicaid Federa					180,677,000	160,371,000	341,048,000	49.79%
03C-1 Emer Med/Trauma Care-State					7,200,000	7,250,000	14,450,000	2.11%
760-1 Health Svcses Trust-State					93,619,000	83,022,000	176,641,000	25.79%

## Fund and FTE Detail by Fiscal Year

	Fiscal Year 1 FTEs	Fiscal Year 2 FTEs	Annual Average FTEs	Fiscal Year 1 Funds	Fiscal Year 2 Funds	Total Funds	Percent Share of Recsum
<b>00 Carry Forward Adjustments</b>							
001-1 General Fund-State				(27,229,000)	(220,000)	(27,449,000)	25.78%
001-7 General Fund-Private/Local				(7,077,000)		(7,077,000)	(60.61)%
001-C General Fund-DSHS Medicaid Federa				16,636,000		16,636,000	108.97%
03C-1 Emer Med/Trauma Care-State				(29,800,000)	(110,000)	(29,910,000)	(1.81)%
760-1 Health Services Trust-State				496,000		496,000	27.67%
				(7,484,000)	(110,000)	(7,594,000)	
<b>Total Carry Forward Level</b>				<b>321,042,000</b>	<b>336,422,000</b>	<b>657,464,000</b>	
% Change from Current Biennium				(7.8)%	(0.1)%	(4.0)%	
<b>Total Carry Forward Level Fund Totals</b>							
001-1 General Fund-State				(12,577,000)		(12,577,000)	(1.91)%
001-7 General Fund-Private/Local				88,911,000	85,999,000	174,910,000	26.60%
001-C General Fund-DSHS Medicaid Federa				150,877,000	160,261,000	311,138,000	47.32%
03C-1 Emer Med/Trauma Care-State				7,696,000	7,250,000	14,946,000	2.27%
760-1 Health Services Trust-State				86,135,000	82,912,000	169,047,000	25.71%
<b>93 Mandatory Caseload Adjustments</b>							
001-C General Fund-DSHS Medicaid Federa				(5,733,000)	(5,747,000)	(11,480,000)	100.00%
				(5,733,000)	(5,747,000)	(11,480,000)	
<b>Carry Forward Plus Workload Changes</b>				<b>315,309,000</b>	<b>330,675,000</b>	<b>645,984,000</b>	
% Change from Current Biennium				(9.5)%	(1.8)%	(5.7)%	
<b>Carry Forward Plus Workload Changes Fund Totals</b>							
001-1 General Fund-State				75,000	75,000	150,000	0.03%
001-7 General Fund-Private/Local				88,911,000	85,999,000	174,910,000	29.90%
001-C General Fund-DSHS Medicaid Federa				127,106,000	138,398,000	265,504,000	45.38%
03C-1 Emer Med/Trauma Care-State				7,250,000	7,250,000	14,500,000	2.48%
760-1 Health Services Trust-State				64,694,000	65,282,000	129,976,000	22.22%
996-Z Estimated All Other-Other	2.0	2.0	2.0				
<b>9Z Recast to Activity</b>							
001-1 General Fund-State	2.0	2.0	2.0	9,163,000	1,589,000	10,752,000	(20.88)%
001-7 General Fund-Private/Local				12,652,000	75,000	12,727,000	
001-C General Fund-DSHS Medicaid Federa				180,000	1,514,000	1,694,000	(2.78)%
03C-1 Emer Med/Trauma Care-State				(446,000)		(446,000)	0.73%
760-1 Health Services Trust-State				(3,223,000)		(3,223,000)	5.29%
996-Z Estimated All Other-Other	2.0	2.0	2.0				
<b>HF NH ProShare</b>							
001-C General Fund-DSHS Medicaid Federa				(36,436,000)	(35,260,000)	(71,696,000)	58.82%
760-1 Health Services Trust-State				(18,218,000)	(17,630,000)	(35,848,000)	58.82%
				(18,218,000)	(17,630,000)	(35,848,000)	
<b>Total Maintenance Level</b>	2.0	2.0	2.0	<b>288,036,000</b>	<b>297,004,000</b>	<b>585,040,000</b>	
% Change from Current Biennium				(17.3)%	(11.8)%	(14.6)%	

**Fund and FTE Detail by Fiscal Year**

	<b>Fiscal Year 1 FTEs</b>	<b>Fiscal Year 2 FTEs</b>	<b>Annual Average FTEs</b>	<b>Fiscal Year 1 Funds</b>	<b>Fiscal Year 2 Funds</b>	<b>Total Funds</b>	<b>Percent Share of Recsum</b>
<b>Total Maintenance Level Fund Totals</b>							
001-1 General Fund-State				75,000	75,000	150,000	0.03%
001-7 General Fund-Private/Local				88,911,000	85,999,000	174,910,000	29.90%
001-C General Fund-DSHS Medicaid Federa				127,106,000	138,398,000	265,504,000	45.38%
03C-1 Emer Med/Trauma Care-State				7,250,000	7,250,000	14,500,000	2.48%
760-1 Health Services Trust-State				64,694,000	65,282,000	129,976,000	22.22%
996-Z Estimated All Other-Other	2.0	2.0	2.0				
<b>HH IGT Design</b>							
760-1 Health Services Trust-State				2,700,000	2,700,000	5,400,000	100.00%
<b>2005-07 Total Proposed Budget</b>	<b>2.0</b>	<b>2.0</b>	<b>2.0</b>	<b>290,736,000</b>	<b>299,704,000</b>	<b>590,440,000</b>	
% Change from Current Biennium				(16.5)%	(11.0)%	(13.8)%	
<b>2005-07 Budget Fund Summary Totals</b>							
001-1 General Fund-State				75,000	75,000	150,000	0.03%
001-7 General Fund-Private/Local				88,911,000	85,999,000	174,910,000	29.62%
001-C General Fund-DSHS Medicaid Federa				127,106,000	138,398,000	265,504,000	44.97%
03C-1 Emer Med/Trauma Care-State				7,250,000	7,250,000	14,500,000	2.46%
760-1 Health Services Trust-State				67,394,000	67,982,000	135,376,000	22.93%
996-Z Estimated All Other-Other	2.0	2.0	2.0				
<b>Total Agency Activity - H023</b>							
Pgm:080							
<b>2003-05 Current Biennium</b>				<b>348,271,000</b>	<b>336,642,000</b>	<b>684,913,000</b>	
<b>Total Carry Forward Level</b>				<b>321,042,000</b>	<b>336,422,000</b>	<b>657,464,000</b>	
% Change from Current Biennium				(7.8)%	(0.1)%	(4.0)%	
<b>Carry Forward Plus Workload Changes</b>				<b>315,309,000</b>	<b>330,675,000</b>	<b>645,984,000</b>	
% Change from Current Biennium				(9.5)%	(1.8)%	(5.7)%	
<b>Total Maintenance Level</b>	<b>2.0</b>	<b>2.0</b>	<b>2.0</b>	<b>288,036,000</b>	<b>297,004,000</b>	<b>585,040,000</b>	
% Change from Current Biennium				(17.3)%	(11.8)%	(14.6)%	
<b>2005-07 Total Proposed Budget</b>	<b>2.0</b>	<b>2.0</b>	<b>2.0</b>	<b>290,736,000</b>	<b>299,704,000</b>	<b>590,440,000</b>	
% Change from Current Biennium				(16.5)%	(11.0)%	(13.8)%	
<b>Agency Activity - H056 - Mandatory Medicaid Program for Children</b>							
Pgm:080							
<b>Total Current Biennium</b>	<b>577.6</b>	<b>591.7</b>	<b>584.7</b>	<b>2,494,864,000</b>	<b>2,570,461,000</b>	<b>5,065,325,000</b>	

## Fund and FTE Detail by Fiscal Year

	Fiscal Year 1	Fiscal Year 2	Annual Average	Fiscal Year 1	Fiscal Year 2	Total Funds	Percent Share of Recsum
	FTEs	FTEs	FTEs	Funds	Funds		
<b>Current Biennium Fund Totals</b>							
001-1 General Fund-State				974,836,000	1,075,710,000	2,050,546,000	40.48%
001-2 General Fund-Federal				30,323,000	37,305,000	67,628,000	1.34%
001-7 General Fund-Private/Local				44,680,000	2,443,000	47,123,000	0.93%
001-C General Fund-DSHS Medicaid Federa				1,298,786,000	1,309,505,000	2,608,291,000	51.49%
03C-1 Emer Med/Trauma Care-State				(415,000)		(415,000)	(0.01)%
760-1 Health Services Trust-State				146,654,000	145,498,000	292,152,000	5.77%
996-Z Estimated All Other-Other	577.6	591.7	584.7				
<b>00 Carry Forward Adjustments</b>	<b>14.1</b>		<b>7.1</b>	<b>122,935,000</b>	<b>977,000</b>	<b>123,912,000</b>	
001-1 General Fund-State				107,070,000	(22,000)	107,048,000	86.39%
001-2 General Fund-Federal				(4,316,000)		(4,316,000)	(3.48)%
001-7 General Fund-Private/Local				(404,000)		(404,000)	(0.33)%
001-C General Fund-DSHS Medicaid Federa				19,714,000	999,000	20,713,000	16.72%
760-1 Health Services Trust-State				871,000		871,000	0.70%
996-Z Estimated All Other-Other	14.1		7.1				
<b>Total Carry Forward Level</b>	<b>591.7</b>	<b>591.7</b>	<b>591.7</b>	<b>2,617,799,000</b>	<b>2,571,438,000</b>	<b>5,189,237,000</b>	
% Change from Current Biennium	2.4%		1.2%	4.9%	0.0%	2.4%	
<b>Total Carry Forward Level Fund Totals</b>							
001-1 General Fund-State				1,081,906,000	1,075,688,000	2,157,594,000	41.58%
001-2 General Fund-Federal				26,007,000	37,305,000	63,312,000	1.22%
001-7 General Fund-Private/Local				44,276,000	2,443,000	46,719,000	0.90%
001-C General Fund-DSHS Medicaid Federa				1,318,500,000	1,310,504,000	2,629,004,000	50.66%
03C-1 Emer Med/Trauma Care-State				(415,000)		(415,000)	(0.01)%
760-1 Health Services Trust-State				147,525,000	145,498,000	293,023,000	5.65%
996-Z Estimated All Other-Other	591.7	591.7	591.7				
<b>93 Mandatory Caseload Adjustments</b>				<b>48,240,000</b>	<b>192,526,000</b>	<b>240,766,000</b>	
001-1 General Fund-State				24,220,000	95,692,000	119,912,000	49.80%
001-2 General Fund-Federal				(900,000)	(545,000)	(1,445,000)	(0.60)%
001-C General Fund-DSHS Medicaid Federa				24,742,000	96,712,000	121,454,000	50.44%
760-1 Health Services Trust-State				178,000	667,000	845,000	0.35%
<b>Carry Forward Plus Workload Changes</b>	<b>591.7</b>	<b>591.7</b>	<b>591.7</b>	<b>2,666,039,000</b>	<b>2,763,964,000</b>	<b>5,430,003,000</b>	
% Change from Current Biennium	2.4%		1.2%	6.9%	7.5%	7.2%	
<b>Carry Forward Plus Workload Changes Fund Totals</b>							
001-1 General Fund-State				1,065,135,000	1,151,750,000	2,216,885,000	43.89%
001-2 General Fund-Federal				2,255,000	2,221,000	4,476,000	0.09%
001-7 General Fund-Private/Local				46,843,000	54,178,000	101,021,000	2.00%
001-C General Fund-DSHS Medicaid Federa				1,259,770,000	1,330,868,000	2,590,638,000	51.29%
03C-1 Emer Med/Trauma Care-State							
760-1 Health Services Trust-State				61,522,000	76,469,000	137,991,000	2.73%
996-Z Estimated All Other-Other	344.7	338.0	341.4				



## Fund and FTE Detail by Fiscal Year

	Fiscal Year 1 FTEs	Fiscal Year 2 FTEs	Annual Average FTEs	Fiscal Year 1 Funds	Fiscal Year 2 Funds	Total Funds	Percent Share of Recsum
<b>9Z</b>							
<b>Recast to Activity</b>	(247.0)	(253.7)	(250.4)	(230,514,000)	(148,478,000)	(378,992,000)	
001-1 General Fund-State				(40,991,000)	(19,630,000)	(60,621,000)	16.00%
001-2 General Fund-Federal				(22,852,000)	(34,539,000)	(57,391,000)	15.14%
001-7 General Fund-Private/Local				2,567,000	51,735,000	54,302,000	(14.33)%
001-C General Fund-DSHS Medicaid Federa				(83,472,000)	(76,348,000)	(159,820,000)	42.17%
03C-1 Emer Med/Trauma Care-State				415,000		415,000	(0.11)%
760-1 Health Services Trust-State				(86,181,000)	(69,696,000)	(155,877,000)	41.13%
996-Z Estimated All Other-Other	(247.0)	(253.7)	(250.4)				
<b>Total Maintenance Level</b>	<b>344.7</b>	<b>338.0</b>	<b>341.4</b>	<b>2,435,525,000</b>	<b>2,615,486,000</b>	<b>5,051,011,000</b>	
% Change from Current Biennium	(40.3)%	(42.9)%	(41.6)%	(2.4)%	1.8%	(0.3)%	
<b>Total Maintenance Level Fund Totals</b>							
001-1 General Fund-State				1,065,135,000	1,151,750,000	2,216,885,000	43.89%
001-2 General Fund-Federal				2,255,000	2,221,000	4,476,000	0.09%
001-7 General Fund-Private/Local				46,843,000	54,178,000	101,021,000	2.00%
001-C General Fund-DSHS Medicaid Federa				1,259,770,000	1,330,868,000	2,590,638,000	51.29%
03C-1 Emer Med/Trauma Care-State							
760-1 Health Services Trust-State				61,522,000	76,469,000	137,991,000	2.73%
996-Z Estimated All Other-Other	344.7	338.0	341.4				
<b>HJ</b>							
<b>Medical Nutrition Scope of Coverage</b>				(2,342,000)	(2,342,000)	(4,684,000)	
001-1 General Fund-State				(1,279,000)	(1,279,000)	(2,558,000)	(1.42)%
001-C General Fund-DSHS Medicaid Federa				(1,063,000)	(1,063,000)	(2,126,000)	(1.18)%
<b>HN</b>							
<b>Service Rate Increase</b>				28,408,000	58,582,000	86,990,000	
001-1 General Fund-State				14,331,000	29,553,000	43,884,000	24.29%
001-2 General Fund-Federal				74,000	152,000	226,000	0.13%
001-C General Fund-DSHS Medicaid Federa				13,916,000	28,698,000	42,614,000	23.59%
760-1 Health Services Trust-State				87,000	179,000	266,000	0.15%
<b>HQ</b>							
<b>Hospital Blood Co-factor</b>				1,704,000	1,714,000	3,418,000	
001-1 General Fund-State				927,000	933,000	1,860,000	1.03%
001-C General Fund-DSHS Medicaid Federa				777,000	781,000	1,558,000	0.86%
<b>HT</b>							
<b>Emergency Department Utilization</b>				218,000	218,000	436,000	
001-1 General Fund-State				109,000	109,000	218,000	0.12%
001-C General Fund-DSHS Medicaid Federa				109,000	109,000	218,000	0.12%
<b>HW</b>							
<b>Safe Moms/Babies Sustainable Fund</b>				1,600,000	1,600,000	3,200,000	
001-1 General Fund-State				880,000	880,000	1,760,000	0.97%
001-C General Fund-DSHS Medicaid Federa				720,000	720,000	1,440,000	0.80%
<b>LB</b>							
<b>Provider Rate Increase</b>				40,386,000	41,194,000	81,580,000	
001-1 General Fund-State				19,756,000	20,151,000	39,907,000	22.09%
001-7 General Fund-Private/Local				33,000	34,000	67,000	0.04%
001-C General Fund-DSHS Medicaid Federa				20,452,000	20,861,000	41,313,000	22.87%
760-1 Health Services Trust-State				145,000	148,000	293,000	0.16%

Fund and FTE Detail by Fiscal Year

LD	Hospital Recalibration	Fiscal Year 1	Fiscal Year 2	Annual Average	Fiscal Year 1	Fiscal Year 2	Total Funds	Percent Share of Recsum
		FTEs	FTEs	FTEs	Funds	Funds		
001-1	General Fund-State				4,855,000	4,855,000	9,710,000	2.94%
001-C	General Fund-DSHS Medicaid Federa				2,652,000	2,652,000	5,304,000	2.44%
2005-07 Total Proposed Budget		344.7	338.0	341.4	2,510,354,000	2,721,307,000	5,231,661,000	3.3%
% Change from Current Biennium		(40.3)%	(42.9)%	(41.6)%	0.6%	5.9%		
2005-07 Budget Fund Summary Totals								
001-1	General Fund-State				1,102,511,000	1,204,749,000	2,307,260,000	44.10%
001-2	General Fund-Federal				2,329,000	2,373,000	4,702,000	0.09%
001-7	General Fund-Private/Local				46,876,000	54,212,000	101,088,000	1.93%
001-C	General Fund-DSHS Medicaid Federa				1,296,884,000	1,383,177,000	2,680,061,000	51.23%
03C-1	Emer Med/Trauma Care-State							
760-1	Health Svcs Trust-State							
996-Z	Estimated All Other-Other	344.7	338.0	341.4	61,754,000	76,796,000	138,550,000	2.65%

Total Agency Activity - H056

Pgm:080	2003-05 Current Biennium	577.6	591.7	584.7	2,494,864,000	2,570,461,000	5,065,325,000	
Total Carry Forward Level		591.7	591.7	591.7	2,617,799,000	2,571,438,000	5,189,237,000	
% Change from Current Biennium		2.4%		1.2%	4.9%	0.0%	2.4%	
Carry Forward Plus Workload Changes		591.7	591.7	591.7	2,666,039,000	2,763,964,000	5,430,003,000	
% Change from Current Biennium		2.4%		1.2%	6.9%	7.5%	7.2%	
Total Maintenance Level		344.7	338.0	341.4	2,435,525,000	2,615,486,000	5,051,011,000	
% Change from Current Biennium		(40.3)%	(42.9)%	(41.6)%	(2.4)%	1.8%	(0.3)%	
2005-07 Total Proposed Budget		344.7	338.0	341.4	2,510,354,000	2,721,307,000	5,231,661,000	
% Change from Current Biennium		(40.3)%	(42.9)%	(41.6)%	0.6%	5.9%	3.3%	

Agency Activity - H057 - Medicaid for Optional Children

Pgm:080	Total Current Biennium	48.4	49.3	48.9	200,939,000	207,797,000	408,736,000	
Current Biennium Fund Totals								
001-1	General Fund-State				1,549,000	1,549,000	3,098,000	0.76%
001-C	General Fund-DSHS Medicaid Federa				121,049,000	109,278,000	230,327,000	56.35%
760-1	Health Svcs Trust-State				78,341,000	96,970,000	175,311,000	42.89%
996-Z	Estimated All Other-Other	48.4	49.3	48.9				
2005-07 Total Proposed Budget		48.4	49.3	48.9	23,017,000	260,000	23,277,000	
% Change from Current Biennium		1.9		1.0	11.5%	0.0%	1.1%	
001-1	General Fund-State				1,588,000	67,000	1,655,000	7.11%
001-2	General Fund-Federal				(1,444,000)	(11,970,000)	(13,414,000)	(57.63)%
001-C	General Fund-DSHS Medicaid Federa				(2,416,000)	260,000	(2,156,000)	(9.26)%
760-1	Health Svcs Trust-State				25,289,000	11,903,000	37,192,000	159.78%

Fund and FTE Detail by Fiscal Year

	Fiscal Year 1 FTEs	Fiscal Year 2 FTEs	Annual Average FTEs	Fiscal Year 1 Funds	Fiscal Year 2 Funds	Total Funds	Percent Share of Recsum
996-Z Estimated All Other-Other	1.9		1.0				
<b>Total Carry Forward Level</b>	<b>50.3</b>	<b>49.3</b>	<b>49.8</b>	<b>223,956,000</b>	<b>208,057,000</b>	<b>432,013,000</b>	<b>5.7%</b>
% Change from Current Biennium	3.9%		1.9%	11.5%	0.1%		
<b>Total Carry Forward Level Fund Totals</b>							
001-1 General Fund-State				3,137,000	1,616,000	4,753,000	1.10%
001-2 General Fund-Federal				(1,444,000)	(11,970,000)	(13,414,000)	(3.10)%
001-C General Fund-DSHS Medicaid Federa				118,633,000	109,538,000	228,171,000	52.82%
760-1 Health Svcses Trust-State				103,630,000	108,873,000	212,503,000	49.19%
996-Z Estimated All Other-Other	50.3	49.3	49.8				
<b>93 Mandatory Caseload Adjustments</b>				<b>11,569,000</b>	<b>44,276,000</b>	<b>55,845,000</b>	
001-1 General Fund-State				336,000	1,329,000	1,665,000	2.98%
001-C General Fund-DSHS Medicaid Federa				5,522,000	21,587,000	27,109,000	48.54%
760-1 Health Svcses Trust-State				5,711,000	21,360,000	27,071,000	48.48%
<b>Carry Forward Plus Workload Changes</b>	<b>50.3</b>	<b>49.3</b>	<b>49.8</b>	<b>235,525,000</b>	<b>252,333,000</b>	<b>487,858,000</b>	
% Change from Current Biennium	3.9%		1.9%	17.2%	21.4%	19.4%	
<b>Carry Forward Plus Workload Changes Fund Totals</b>							
001-1 General Fund-State				37,379,000	36,727,000	74,106,000	7.62%
001-2 General Fund-Federal				240,364,000	248,403,000	488,767,000	50.25%
001-C General Fund-DSHS Medicaid Federa				203,740,000	206,144,000	409,884,000	42.14%
760-1 Health Svcses Trust-State							
996-Z Estimated All Other-Other	88.5	85.4	87.0				
<b>9Z Recast to Activity</b>	<b>38.2</b>	<b>36.1</b>	<b>37.2</b>	<b>245,958,000</b>	<b>238,941,000</b>	<b>484,899,000</b>	
001-1 General Fund-State				33,906,000	33,782,000	67,688,000	13.96%
001-2 General Fund-Federal				1,444,000	11,970,000	13,414,000	2.77%
001-C General Fund-DSHS Medicaid Federa				116,209,000	117,278,000	233,487,000	48.15%
760-1 Health Svcses Trust-State				94,399,000	75,911,000	170,310,000	35.12%
996-Z Estimated All Other-Other	38.2	36.1	37.2				
<b>Total Maintenance Level</b>	<b>88.5</b>	<b>85.4</b>	<b>87.0</b>	<b>481,483,000</b>	<b>491,274,000</b>	<b>972,757,000</b>	
% Change from Current Biennium	82.9%	73.2%	78.0%	139.6%	136.4%	138.0%	
<b>Total Maintenance Level Fund Totals</b>							
001-1 General Fund-State				37,379,000	36,727,000	74,106,000	7.62%
001-2 General Fund-Federal				240,364,000	248,403,000	488,767,000	50.25%
001-C General Fund-DSHS Medicaid Federa				203,740,000	206,144,000	409,884,000	42.14%
760-1 Health Svcses Trust-State							
996-Z Estimated All Other-Other	88.5	85.4	87.0				
<b>DB Children Aging Out of Other Svcs</b>				<b>338,000</b>	<b>1,048,000</b>	<b>1,386,000</b>	
001-C General Fund-DSHS Medicaid Federa				169,000	524,000	693,000	1.94%
760-1 Health Svcses Trust-State				169,000	524,000	693,000	1.94%
<b>HJ Medical Nutrition Scope of Coverage</b>				<b>(270,000)</b>	<b>(270,000)</b>	<b>(540,000)</b>	
001-1 General Fund-State				(18,000)	(18,000)	(36,000)	(0.10)%

Fund and FTE Detail by Fiscal Year

	Fiscal Year 1 FTEs	Fiscal Year 2 FTEs	Annual Average FTEs	Fiscal Year 1 Funds	Fiscal Year 2 Funds	Total Funds	Percent Share of Reccum
001-C General Fund-DSHS Medicaid Federa				(252,000)	(252,000)	(504,000)	(1.41)%
<b>HQ Hospital Blood Co-factor</b>				<b>189,000</b>	<b>167,000</b>	<b>356,000</b>	
001-1 General Fund-State				13,000		13,000	0.04%
001-C General Fund-DSHS Medicaid Federa				176,000	167,000	343,000	0.96%
<b>HU Reinstate Children's Health Program</b>				<b>3,259,000</b>	<b>7,739,000</b>	<b>10,998,000</b>	
001-1 General Fund-State				2,814,000	6,682,000	9,496,000	26.62%
001-C General Fund-DSHS Medicaid Federa				445,000	1,057,000	1,502,000	4.21%
<b>HV Medical Eligibility Review Cycle</b>				<b>4,335,000</b>	<b>2,152,000</b>	<b>4,335,000</b>	
001-C General Fund-DSHS Medicaid Federa				2,183,000	2,183,000	2,183,000	6.03%
760-1 Health Svices Trust-State							6.12%
<b>LB Provider Rate Increase</b>				<b>8,954,000</b>	<b>9,132,000</b>	<b>18,086,000</b>	
001-1 General Fund-State				274,000	280,000	554,000	1.55%
001-C General Fund-DSHS Medicaid Federa				4,492,000	4,581,000	9,073,000	25.43%
760-1 Health Svices Trust-State				4,188,000	4,271,000	8,459,000	23.71%
<b>LD Hospital Recalibration</b>				<b>529,000</b>	<b>529,000</b>	<b>1,058,000</b>	
001-1 General Fund-State				37,000	37,000	74,000	0.21%
001-C General Fund-DSHS Medicaid Federa				492,000	492,000	984,000	2.76%
<b>2005-07 Total Proposed Budget</b>	<b>88.5</b>	<b>85.4</b>	<b>87.0</b>	<b>494,482,000</b>	<b>513,954,000</b>	<b>1,008,436,000</b>	
% Change from Current Biennium	82.9%	73.2%	78.0%	146.1%	147.3%	146.7%	
<b>2005-07 Budget Fund Summary Totals</b>							
001-1 General Fund-State				40,499,000	43,708,000	84,207,000	8.35%
001-2 General Fund-Federal							
001-C General Fund-DSHS Medicaid Federa				245,886,000	257,124,000	503,010,000	49.88%
760-1 Health Svices Trust-State				208,097,000	213,122,000	421,219,000	41.77%
996-Z Estimated All Other-Other	88.5	85.4	87.0				
<b>Total Agency Activity - H057</b>							
<b>Pgm:080</b>							
<b>2003-05 Current Biennium</b>	<b>48.4</b>	<b>49.3</b>	<b>48.9</b>	<b>200,939,000</b>	<b>207,797,000</b>	<b>408,736,000</b>	
<b>Total Carry Forward Level</b>	<b>50.3</b>	<b>49.3</b>	<b>49.8</b>	<b>223,956,000</b>	<b>208,057,000</b>	<b>432,013,000</b>	
% Change from Current Biennium	3.9%		1.9%	11.5%	0.1%	5.7%	
<b>Carry Forward Plus Workload Changes</b>	<b>50.3</b>	<b>49.3</b>	<b>49.8</b>	<b>235,525,000</b>	<b>252,333,000</b>	<b>487,858,000</b>	
% Change from Current Biennium	3.9%		1.9%	17.2%	21.4%	19.4%	
<b>Total Maintenance Level</b>	<b>88.5</b>	<b>85.4</b>	<b>87.0</b>	<b>481,483,000</b>	<b>491,274,000</b>	<b>972,757,000</b>	
% Change from Current Biennium	82.9%	73.2%	78.0%	139.6%	136.4%	138.0%	
<b>2005-07 Total Proposed Budget</b>	<b>88.5</b>	<b>85.4</b>	<b>87.0</b>	<b>494,482,000</b>	<b>513,954,000</b>	<b>1,008,436,000</b>	
% Change from Current Biennium	82.9%	73.2%	78.0%	146.1%	147.3%	146.7%	

Fund and FTE Detail by Fiscal Year

	Fiscal Year 1 FTEs	Fiscal Year 2 FTEs	Annual Average FTEs	Fiscal Year 1 Funds	Fiscal Year 2 Funds	Total Funds	Percent Share of Recsum
<b>Agency Activity - H058 - Medicaid Program for Aged, Blind and Dis</b>							
Pgnt080							
<b>Total Current Biennium</b>	<b>26.0</b>	<b>27.0</b>	<b>26.5</b>	<b>125,015,000</b>	<b>139,472,000</b>	<b>264,487,000</b>	
<b>Current Biennium Fund Totals</b>							
001-1 General Fund-State				59,992,000	69,680,000	129,672,000	49.03%
001-C General Fund-DSHS Medicaid Federa				65,759,000	69,792,000	135,551,000	51.25%
03C-1 Emer Med/Trauma Care-State				(20,000)		(20,000)	(0.01)%
760-1 Health Services Trust-State				(716,000)		(716,000)	(0.27)%
996-Z Estimated All Other-Other	26.0	27.0	26.5				
<b>00 Carry Forward Adjustments</b>	<b>1.0</b>		<b>0.5</b>	<b>20,966,000</b>	<b>69,000</b>	<b>21,035,000</b>	
001-1 General Fund-State				13,474,000	(2,000)	13,472,000	64.05%
001-C General Fund-DSHS Medicaid Federa				7,492,000	71,000	7,563,000	35.95%
996-Z Estimated All Other-Other	1.0		0.5				
<b>Total Carry Forward Level</b>	<b>27.0</b>	<b>27.0</b>	<b>27.0</b>	<b>145,981,000</b>	<b>139,541,000</b>	<b>285,522,000</b>	
% Change from Current Biennium	3.8%		1.9%	16.8%	0.0%	8.0%	
<b>Total Carry Forward Level Fund Totals</b>							
001-1 General Fund-State				73,466,000	69,678,000	143,144,000	50.13%
001-C General Fund-DSHS Medicaid Federa				73,251,000	69,863,000	143,114,000	50.12%
03C-1 Emer Med/Trauma Care-State				(20,000)		(20,000)	(0.01)%
760-1 Health Services Trust-State				(716,000)		(716,000)	(0.25)%
996-Z Estimated All Other-Other	27.0	27.0	27.0				
<b>93 Mandatory Caseload Adjustments</b>							
001-1 General Fund-State				<b>21,223,000</b>	<b>52,542,000</b>	<b>73,765,000</b>	
001-C General Fund-DSHS Medicaid Federa				10,611,000	26,271,000	36,882,000	50.00%
				10,612,000	26,271,000	36,883,000	50.00%
<b>Carry Forward Plus Workload Changes</b>	<b>27.0</b>	<b>27.0</b>	<b>27.0</b>	<b>167,204,000</b>	<b>192,083,000</b>	<b>359,287,000</b>	
% Change from Current Biennium	3.8%		1.9%	33.7%	37.7%	35.8%	
<b>Carry Forward Plus Workload Changes Fund Totals</b>							
001-1 General Fund-State				84,416,000	98,713,000	183,129,000	49.85%
001-C General Fund-DSHS Medicaid Federa				85,350,000	98,857,000	184,207,000	50.15%
03C-1 Emer Med/Trauma Care-State							
760-1 Health Services Trust-State							
996-Z Estimated All Other-Other	22.4	24.3	23.4				
<b>9Z Recast to Activity</b>	<b>(4.6)</b>	<b>(2.7)</b>	<b>(3.7)</b>	<b>2,562,000</b>	<b>5,487,000</b>	<b>8,049,000</b>	
001-1 General Fund-State				339,000	2,764,000	3,103,000	38.55%
001-C General Fund-DSHS Medicaid Federa				1,487,000	2,723,000	4,210,000	52.30%
03C-1 Emer Med/Trauma Care-State				20,000		20,000	0.25%
760-1 Health Services Trust-State				716,000		716,000	8.90%
996-Z Estimated All Other-Other	(4.6)	(2.7)	(3.7)				

Fund and FTE Detail by Fiscal Year

	Fiscal Year 1 FTEs	Fiscal Year 2 FTEs	Annual Average FTEs	Fiscal Year 1 Funds	Fiscal Year 2 Funds	Total Funds	Percent Share of Recsum
<b>Total Maintenance Level</b>	<b>22.4</b>	<b>24.3</b>	<b>23.4</b>	<b>169,766,000</b>	<b>197,570,000</b>	<b>367,336,000</b>	<b>38.9%</b>
% Change from Current Biennium	(13.8)%	(10.0)%	(11.9)%	35.8%	41.7%	38.9%	
<b>Total Maintenance Level Fund Totals</b>							
001-1 General Fund-State				84,416,000	98,713,000	183,129,000	49.85%
001-C General Fund-DSHS Medicaid Federa				85,350,000	98,857,000	184,207,000	50.15%
03C-1 Emer Med/Trauma Care-State							
760-1 Health Svcses Trust-State							
996-Z Estimated All Other-Other	22.4	24.3	23.4				
<b>HJ Medical Nutrition Scope of Coverage</b>				<b>(148,000)</b>	<b>(148,000)</b>	<b>(296,000)</b>	<b>(1.63)%</b>
001-1 General Fund-State				(83,000)	(83,000)	(166,000)	(1.63)%
001-C General Fund-DSHS Medicaid Federa				(65,000)	(65,000)	(130,000)	(1.28)%
<b>HN Service Rate Increase</b>				<b>1,505,000</b>	<b>3,104,000</b>	<b>4,609,000</b>	<b>23.14%</b>
001-1 General Fund-State				769,000	1,586,000	2,355,000	23.14%
001-C General Fund-DSHS Medicaid Federa				736,000	1,518,000	2,254,000	22.15%
<b>HQ Hospital Blood Co-factor</b>				<b>107,000</b>	<b>119,000</b>	<b>226,000</b>	<b>1.25%</b>
001-1 General Fund-State				60,000	67,000	127,000	1.25%
001-C General Fund-DSHS Medicaid Federa				47,000	52,000	99,000	0.97%
<b>LB Provider Rate Increase</b>				<b>2,478,000</b>	<b>2,527,000</b>	<b>5,005,000</b>	<b>23.98%</b>
001-1 General Fund-State				1,208,000	1,232,000	2,440,000	23.98%
001-C General Fund-DSHS Medicaid Federa				1,270,000	1,295,000	2,565,000	25.21%
<b>LD Hospital Recalibration</b>				<b>316,000</b>	<b>316,000</b>	<b>632,000</b>	<b>3.48%</b>
001-1 General Fund-State				177,000	177,000	354,000	3.48%
001-C General Fund-DSHS Medicaid Federa				139,000	139,000	278,000	2.73%
<b>2005-07 Total Proposed Budget</b>	<b>22.4</b>	<b>24.3</b>	<b>23.4</b>	<b>174,024,000</b>	<b>203,488,000</b>	<b>377,512,000</b>	<b>42.7%</b>
% Change from Current Biennium	(13.8)%	(10.0)%	(11.9)%	39.2%	45.9%	42.7%	
<b>2005-07 Budget Fund Summary Totals</b>							
001-1 General Fund-State				86,547,000	101,692,000	188,239,000	49.86%
001-C General Fund-DSHS Medicaid Federa				87,477,000	101,796,000	189,273,000	50.14%
03C-1 Emer Med/Trauma Care-State							
760-1 Health Svcses Trust-State							
996-Z Estimated All Other-Other	22.4	24.3	23.4				
<b>Total Agency Activity - H058</b>							
Pgm:080							
<b>2003-05 Current Biennium</b>	<b>26.0</b>	<b>27.0</b>	<b>26.5</b>	<b>125,015,000</b>	<b>139,472,000</b>	<b>264,487,000</b>	
<b>Total Carry Forward Level</b>	<b>27.0</b>	<b>27.0</b>	<b>27.0</b>	<b>145,981,000</b>	<b>139,541,000</b>	<b>285,522,000</b>	
% Change from Current Biennium	3.8%		1.9%	16.8%	0.0%	8.0%	
<b>Carry Forward Plus Workload Changes</b>	<b>27.0</b>	<b>27.0</b>	<b>27.0</b>	<b>167,204,000</b>	<b>192,083,000</b>	<b>359,287,000</b>	
% Change from Current Biennium	3.8%		1.9%	33.7%	37.7%	35.8%	

Fund and FTE Detail by Fiscal Year

	Fiscal Year 1 FTEs	Fiscal Year 2 FTEs	Annual Average FTEs	Fiscal Year 1 Funds	Fiscal Year 2 Funds	Total Funds	Percent Share of Recsum
<b>Total Maintenance Level</b>							
% Change from Current Biennium	22.4 (13.8)%	24.3 (10.0)%	23.4 (11.9)%	169,766,000 35.8%	197,570,000 41.7%	367,336,000 38.9%	
<b>2005-07 Total Proposed Budget</b>	<b>22.4</b>	<b>24.3</b>	<b>23.4</b>	<b>174,024,000</b>	<b>203,488,000</b>	<b>377,512,000</b>	
% Change from Current Biennium	(13.8)%	(10.0)%	(11.9)%	39.2%	45.9%	42.7%	
<b>Agency Activity - H0060 - Medical Care for General Assistance</b>							
<b>Unem</b>							
Pgm:080							
<b>Total Current Biennium</b>	<b>6.0</b>	<b>6.0</b>	<b>6.0</b>	<b>36,125,000</b>	<b>37,717,000</b>	<b>73,842,000</b>	
<b>Current Biennium Fund Totals</b>							
001-1 General Fund-State				24,475,000	28,706,000	53,181,000	72.02%
001-7 General Fund-Private/Local				9,508,000	6,720,000	16,228,000	21.98%
001-C General Fund-DSHS Medicaid Federa				2,192,000	2,286,000	4,478,000	6.06%
03C-1 Emer Med/Trauma Care-State				(1,000)		(1,000)	0.00%
760-1 Health Svcses Trust-State				(49,000)	5,000	(44,000)	(0.06)%
996-Z Estimated All Other-Other	6.0	6.0	6.0				
<b>00 Carry Forward Adjustments</b>	<b>0.2</b>		<b>0.1</b>	<b>14,157,000</b>		<b>14,157,000</b>	
001-1 General Fund-State				12,703,000		12,703,000	89.73%
001-7 General Fund-Private/Local				1,404,000		1,404,000	9.92%
001-C General Fund-DSHS Medicaid Federa				50,000		50,000	0.35%
996-Z Estimated All Other-Other	0.2		0.1				
<b>Total Carry Forward Level</b>	<b>6.2</b>	<b>6.0</b>	<b>6.1</b>	<b>50,282,000</b>	<b>37,717,000</b>	<b>87,999,000</b>	
% Change from Current Biennium	3.3%		1.7%	39.2%		19.2%	
<b>Total Carry Forward Level Fund Totals</b>							
001-1 General Fund-State				37,178,000	28,706,000	65,884,000	74.87%
001-7 General Fund-Private/Local				10,912,000	6,720,000	17,632,000	20.04%
001-C General Fund-DSHS Medicaid Federa				2,242,000	2,286,000	4,528,000	5.15%
03C-1 Emer Med/Trauma Care-State				(1,000)		(1,000)	0.00%
760-1 Health Svcses Trust-State				(49,000)	5,000	(44,000)	(0.05)%
996-Z Estimated All Other-Other	6.2	6.0	6.1				
<b>93 Mandatory Caseload Adjustments</b>				<b>13,888,000</b>	<b>28,767,000</b>	<b>42,655,000</b>	
001-1 General Fund-State				11,954,000	24,815,000	36,769,000	86.20%
001-C General Fund-DSHS Medicaid Federa				1,934,000	3,952,000	5,886,000	13.80%
<b>Carry Forward Plus Workload Changes</b>	<b>6.2</b>	<b>6.0</b>	<b>6.1</b>	<b>64,170,000</b>	<b>66,484,000</b>	<b>130,654,000</b>	
% Change from Current Biennium	3.3%		1.7%	77.6%	76.3%	76.9%	

Fund and FTE Detail by Fiscal Year

	Fiscal Year 1 FTEs	Fiscal Year 2 FTEs	Annual Average FTEs	Fiscal Year 1 Funds	Fiscal Year 2 Funds	Total Funds	Percent Share of Recsum
Carry Forward Plus Workload Changes Fund Totals							
001-1 General Fund-State				48,728,000	53,939,000	102,667,000	81.15%
001-7 General Fund-Private/Local				11,161,000	6,789,000	17,950,000	14.19%
001-C General Fund-DSHS Medicaid Federa				1,939,000	3,952,000	5,891,000	4.66%
03C-1 Emer Med/Trauma Care-State							
760-1 Health Svcses Trust-State							
996-Z Estimated All Other-Other	2.1	1.0	1.6				
9Z Recast to Activity	(4.1)	(5.0)	(4.6)	(2,342,000)	(1,804,000)	(4,146,000)	(0.34)%
001-1 General Fund-State				(404,000)	418,000	14,000	(7.67)%
001-7 General Fund-Private/Local				249,000	69,000	318,000	109.09%
001-C General Fund-DSHS Medicaid Federa				(2,237,000)	(2,286,000)	(4,523,000)	(0.02)%
03C-1 Emer Med/Trauma Care-State				1,000	(5,000)	1,000	(1.06)%
760-1 Health Svcses Trust-State				49,000		44,000	
996-Z Estimated All Other-Other	(4.1)	(5.0)	(4.6)				
Total Maintenance Level	2.1	1.0	1.6	61,828,000	64,680,000	126,508,000	
% Change from Current Biennium	(65.0)%	(83.3)%	(74.2)%	71.2%	71.5%	71.3%	
Total Maintenance Level Fund Totals							
001-1 General Fund-State				48,728,000	53,939,000	102,667,000	81.15%
001-7 General Fund-Private/Local				11,161,000	6,789,000	17,950,000	14.19%
001-C General Fund-DSHS Medicaid Federa				1,939,000	3,952,000	5,891,000	4.66%
03C-1 Emer Med/Trauma Care-State							
760-1 Health Svcses Trust-State							
996-Z Estimated All Other-Other	2.1	1.0	1.6				
HN Service Rate Increase				1,622,000	3,345,000	4,967,000	69.80%
001-1 General Fund-State				1,622,000	3,345,000	4,967,000	
LB Provider Rate Increase				1,064,000	1,085,000	2,149,000	11.97%
001-1 General Fund-State				422,000	430,000	852,000	13.60%
001-7 General Fund-Private/Local				479,000	489,000	968,000	4.62%
001-C General Fund-DSHS Medicaid Federa				163,000	166,000	329,000	
2005-07 Total Proposed Budget	2.1	1.0	1.6	64,514,000	69,110,000	133,624,000	
% Change from Current Biennium	(65.0)%	(83.3)%	(74.2)%	78.6%	83.2%	81.0%	
2005-07 Budget Fund Summary Totals							
001-1 General Fund-State				50,772,000	57,714,000	108,486,000	81.19%
001-7 General Fund-Private/Local				11,640,000	7,278,000	18,918,000	14.16%
001-C General Fund-DSHS Medicaid Federa				2,102,000	4,118,000	6,220,000	4.65%
03C-1 Emer Med/Trauma Care-State							
760-1 Health Svcses Trust-State							
996-Z Estimated All Other-Other	2.1	1.0	1.6				

Total Agency Activity - H060



### Fund and FTE Detail by Fiscal Year

	Fiscal Year 1 FTEs	Fiscal Year 2 FTEs	Annual Average FTEs	Fiscal Year 1 Funds	Fiscal Year 2 Funds	Total Funds	Percent Share of Recsum
<b>2003-05 Current Biennium</b>							
<b>Total Carry Forward Level</b>	<b>6.0</b>	<b>6.0</b>	<b>6.0</b>	<b>36,125,000</b>	<b>37,717,000</b>	<b>73,842,000</b>	
% Change from Current Biennium	6.2	6.0	6.1	50,282,000	37,717,000	87,999,000	19.2%
	3.3%		1.7%	39.2%			
<b>Carry Forward Plus Workload Changes</b>	<b>6.2</b>	<b>6.0</b>	<b>6.1</b>	<b>64,170,000</b>	<b>66,484,000</b>	<b>130,654,000</b>	
% Change from Current Biennium	3.3%		1.7%	77.6%	76.3%	76.9%	
	2.1	1.0	1.6	61,828,000	64,680,000	126,508,000	71.3%
<b>Total Maintenance Level</b>	<b>2.1</b>	<b>1.0</b>	<b>1.6</b>	<b>71.2%</b>	<b>71.5%</b>	<b>71.3%</b>	
% Change from Current Biennium	(65.0)%	(83.3)%	(74.2)%				
	2.1	1.0	1.6	64,514,000	69,110,000	133,624,000	81.0%
<b>2005-07 Total Proposed Budget</b>	<b>(65.0)%</b>	<b>(83.3)%</b>	<b>(74.2)%</b>	<b>78.6%</b>	<b>83.2%</b>	<b>81.0%</b>	
% Change from Current Biennium							
<b>Agency Activity - H066 - Optional Health Benefits: Dental, Visio</b>							
Pgm:080							
<b>Total Current Biennium</b>	<b>23.0</b>	<b>23.0</b>	<b>23.0</b>	<b>115,317,000</b>	<b>118,314,000</b>	<b>233,631,000</b>	
<b>Current Biennium Fund Totals</b>							
001-1 General Fund-State				28,537,000	29,867,000	58,404,000	25.00%
001-2 General Fund-Federal							
001-7 General Fund-Private/Local				2,867,000	2,865,000	5,732,000	2.45%
001-C General Fund-DSHS Medicaid Federa				57,972,000	58,420,000	116,392,000	49.82%
03C-1 Emer Med/Trauma Care-State							
760-1 Health Svcses Trust-State				25,941,000	27,162,000	53,103,000	22.73%
996-Z Estimated All Other-Other	23.0	23.0	23.0				
<b>00 Carry Forward Adjustments</b>	<b>0.3</b>		<b>0.2</b>	<b>9,631,000</b>	<b>4,000</b>	<b>9,631,000</b>	
001-1 General Fund-State				4,493,000		4,497,000	46.69%
001-2 General Fund-Federal				(104,000)	(1,184,000)	(1,288,000)	(13.37)%
001-C General Fund-DSHS Medicaid Federa				1,374,000		1,374,000	14.27%
760-1 Health Svcses Trust-State				3,868,000	1,180,000	5,048,000	52.41%
996-Z Estimated All Other-Other	0.3		0.2				
<b>Total Carry Forward Level</b>	<b>23.3</b>	<b>23.0</b>	<b>23.2</b>	<b>124,948,000</b>	<b>118,314,000</b>	<b>243,262,000</b>	<b>4.1%</b>
% Change from Current Biennium	1.3%		0.7%	8.4%			
<b>Total Carry Forward Level Fund Totals</b>							
001-1 General Fund-State				33,030,000	29,871,000	62,901,000	25.86%
001-2 General Fund-Federal				(104,000)	(1,184,000)	(1,288,000)	(0.53)%
001-7 General Fund-Private/Local				2,867,000	2,865,000	5,732,000	2.36%
001-C General Fund-DSHS Medicaid Federa				59,346,000	58,420,000	117,766,000	48.41%
03C-1 Emer Med/Trauma Care-State							
760-1 Health Svcses Trust-State				29,809,000	28,342,000	58,151,000	23.90%
996-Z Estimated All Other-Other	23.3	23.0	23.2				
<b>93 Mandatory Caseload Adjustments</b>				<b>4,410,000</b>	<b>13,120,000</b>	<b>17,530,000</b>	

## Fund and FTE Detail by Fiscal Year

	Fiscal Year 1 FTEs	Fiscal Year 2 FTEs	Annual Average FTEs	Fiscal Year 1 Funds	Fiscal Year 2 Funds	Total Funds	Percent Share of Recsum
001-1 General Fund-State				1,299,000	4,199,000	5,498,000	31.36%
001-2 General Fund-Federal				559,000	616,000	1,175,000	6.70%
001-C General Fund-DSHS Medicaid Federa				1,540,000	5,675,000	7,215,000	41.16%
760-1 Health Services Trust-State				1,012,000	2,630,000	3,642,000	20.78%
<b>Carry Forward Plus Workload Changes</b>	<b>23.3</b>	<b>23.0</b>	<b>23.2</b>	<b>129,358,000</b>	<b>131,434,000</b>	<b>260,792,000</b>	
% Change from Current Biennium	1.3%		0.7%	12.2%	11.1%	11.6%	
<b>Carry Forward Plus Workload Changes Fund Totals</b>							
001-1 General Fund-State				39,718,000	38,100,000	77,818,000	29.33%
001-2 General Fund-Federal				1,776,000	1,886,000	3,662,000	1.38%
001-7 General Fund-Private/Local				64,451,000	66,076,000	130,527,000	49.20%
001-C General Fund-DSHS Medicaid Federa				27,190,000	26,093,000	53,283,000	20.08%
03C-1 Emer Med/Trauma Care-State							
760-1 Health Services Trust-State	19.6	18.8	19.2				
996-Z Estimated All Other-Other							
<b>9Z Recast to Activity</b>	<b>(3.7)</b>	<b>(4.2)</b>	<b>(4.0)</b>	<b>3,777,000</b>	<b>721,000</b>	<b>4,498,000</b>	
001-1 General Fund-State				5,389,000	4,030,000	9,419,000	209.40%
001-2 General Fund-Federal				1,321,000	2,454,000	3,775,000	83.93%
001-7 General Fund-Private/Local				(2,867,000)	(2,865,000)	(5,732,000)	(127.43)%
001-C General Fund-DSHS Medicaid Federa				3,565,000	1,981,000	5,546,000	123.30%
03C-1 Emer Med/Trauma Care-State				(3,631,000)	(4,879,000)	(8,510,000)	(189.20)%
760-1 Health Services Trust-State	(3.7)	(4.2)	(4.0)				
996-Z Estimated All Other-Other	19.6	18.8	19.2				
<b>Total Maintenance Level</b>	<b>19.6</b>	<b>18.8</b>	<b>19.2</b>	<b>133,135,000</b>	<b>132,155,000</b>	<b>265,290,000</b>	
% Change from Current Biennium	(14.8)%	(18.3)%	(16.5)%	15.5%	11.7%	13.6%	
<b>Total Maintenance Level Fund Totals</b>							
001-1 General Fund-State				39,718,000	38,100,000	77,818,000	29.33%
001-2 General Fund-Federal				1,776,000	1,886,000	3,662,000	1.38%
001-7 General Fund-Private/Local				64,451,000	66,076,000	130,527,000	49.20%
001-C General Fund-DSHS Medicaid Federa				27,190,000	26,093,000	53,283,000	20.08%
03C-1 Emer Med/Trauma Care-State							
760-1 Health Services Trust-State	19.6	18.8	19.2				
996-Z Estimated All Other-Other							
<b>HU Reinstatement Children's Health Program</b>				<b>322,000</b>	<b>764,000</b>	<b>1,086,000</b>	
001-1 General Fund-State				278,000	660,000	938,000	15.14%
001-C General Fund-DSHS Medicaid Federa				44,000	104,000	148,000	2.39%
<b>HV Medical Eligibility Review Cycle</b>					<b>416,000</b>	<b>416,000</b>	
001-C General Fund-DSHS Medicaid Federa					224,000	224,000	3.62%
760-1 Health Services Trust-State					192,000	192,000	3.10%
<b>LB Provider Rate Increase</b>				<b>2,125,000</b>	<b>2,168,000</b>	<b>4,293,000</b>	
001-1 General Fund-State				626,000	638,000	1,264,000	20.40%

**Fund and FTE Detail by Fiscal Year**

	<b>Fiscal Year 1</b>	<b>Fiscal Year 2</b>	<b>Annual Average</b>	<b>Fiscal Year 1</b>	<b>Fiscal Year 2</b>	<b>Total Funds</b>	<b>Percent Share of Recsum</b>
	<b>FTEs</b>	<b>FTEs</b>	<b>FTEs</b>	<b>Funds</b>	<b>Funds</b>		
001-C General Fund-DSHS Medicaid Federa				1,067,000	1,089,000	2,156,000	34.80%
760-1 Health Svices Trust-State				432,000	441,000	873,000	14.09%
<b>LD Hospital Recalibration</b>				<b>200,000</b>	<b>200,000</b>	<b>400,000</b>	
001-1 General Fund-State				84,000	84,000	168,000	2.71%
001-C General Fund-DSHS Medicaid Federa				116,000	116,000	232,000	3.74%
<b>2005-07 Total Proposed Budget</b>	<b>19.6</b>	<b>18.8</b>	<b>19.2</b>	<b>135,782,000</b>	<b>135,703,000</b>	<b>271,485,000</b>	
% Change from Current Biennium	(14.8)%	(18.3)%	(16.5)%	17.7%	14.7%	16.2%	
<b>2005-07 Budget Fund Summary Totals</b>							
001-1 General Fund-State				40,706,000	39,482,000	80,188,000	29.54%
001-2 General Fund-Federal				1,776,000	1,886,000	3,662,000	1.35%
001-7 General Fund-Private/Local							
001-C General Fund-DSHS Medicaid Federa				65,678,000	67,609,000	133,287,000	49.10%
03C-1 Emer Med/Trauma Care-State							
760-1 Health Svices Trust-State				27,622,000	26,726,000	54,348,000	20.02%
996-Z Estimated All Other-Other	19.6	18.8	19.2				

**Total Agency Activity - H066**

Pg:m080

<b>2003-05 Current Biennium</b>	<b>23.0</b>	<b>23.0</b>	<b>23.0</b>	<b>115,317,000</b>	<b>118,314,000</b>	<b>233,631,000</b>	
<b>Total Carry Forward Level</b>	<b>23.3</b>	<b>23.0</b>	<b>23.2</b>	<b>124,948,000</b>	<b>118,314,000</b>	<b>243,262,000</b>	
% Change from Current Biennium	1.3%		0.7%	8.4%		4.1%	
<b>Carry Forward Plus Workload Changes</b>	<b>23.3</b>	<b>23.0</b>	<b>23.2</b>	<b>129,358,000</b>	<b>131,434,000</b>	<b>260,792,000</b>	
% Change from Current Biennium	1.3%		0.7%	12.2%	11.1%	11.6%	
<b>Total Maintenance Level</b>	<b>19.6</b>	<b>18.8</b>	<b>19.2</b>	<b>133,135,000</b>	<b>132,155,000</b>	<b>265,290,000</b>	
% Change from Current Biennium	(14.8)%	(18.3)%	(16.5)%	15.5%	11.7%	13.6%	
<b>2005-07 Total Proposed Budget</b>	<b>19.6</b>	<b>18.8</b>	<b>19.2</b>	<b>135,782,000</b>	<b>135,703,000</b>	<b>271,485,000</b>	
% Change from Current Biennium	(14.8)%	(18.3)%	(16.5)%	17.7%	14.7%	16.2%	

**Agency Activity - H067 - Optional Health Care for Workers with DI**

Pg:m080

<b>Total Current Biennium</b>	<b>1,851,000</b>	<b>2,918,000</b>	<b>4,769,000</b>				
<b>Current Biennium Fund Totals</b>							
001-C General Fund-DSHS Medicaid Federa	973,000	1,485,000	2,458,000	51.54%			
760-1 Health Svices Trust-State	878,000	1,433,000	2,311,000	48.46%			
<b>00 Carry Forward Adjustments</b>	<b>155,000</b>		<b>155,000</b>				
001-C General Fund-DSHS Medicaid Federa	50,000		50,000	32.26%			
760-1 Health Svices Trust-State	105,000		105,000	67.74%			
<b>Total Carry Forward Level</b>	<b>2,006,000</b>	<b>2,918,000</b>	<b>4,924,000</b>				

**Fund and FTE Detail by Fiscal Year**

	<b>Fiscal Year 1</b>	<b>Fiscal Year 2</b>	<b>Annual Average</b>	<b>Fiscal Year 1 Funds</b>	<b>Fiscal Year 2 Funds</b>	<b>Total Funds</b>	<b>Percent Share of Recsum</b>
<b>FTEs</b>	<b>FTEs</b>	<b>FTEs</b>	<b>FTEs</b>				
				8.4%		3.3%	
% Change from Current Biennium							
<b>Total Carry Forward Level Fund Totals</b>							
001-C	General Fund-DSHS Medicaid Federa			1,023,000	1,485,000	2,508,000	50.93%
760-1	Health Svcses Trust-State			983,000	1,433,000	2,416,000	49.07%
<b>93 Mandatory Caseload Adjustments</b>							
001-C	General Fund-DSHS Medicaid Federa			40,000	154,000	194,000	62.89%
760-1	Health Svcses Trust-State			25,000	97,000	122,000	37.11%
<b>Carry Forward Plus Workload Changes</b>							
% Change from Current Biennium				2,046,000	3,072,000	5,118,000	7.3%
				10.5%	5.3%		
<b>Carry Forward Plus Workload Changes Fund Totals</b>							
001-2	General Fund-Federal			275,000		275,000	12.18%
001-C	General Fund-DSHS Medicaid Federa			140,000	693,000	833,000	36.91%
760-1	Health Svcses Trust-State			478,000	671,000	1,149,000	50.91%
996-Z	Estimated All Other-Other						
		0.2	0.2				
<b>97 Recast to Activity</b>							
001-2	General Fund-Federal			(1,153,000)	(1,708,000)	(2,861,000)	(9.61)%
001-C	General Fund-DSHS Medicaid Federa			275,000		275,000	62.81%
760-1	Health Svcses Trust-State			(908,000)	(889,000)	(1,797,000)	46.80%
996-Z	Estimated All Other-Other			(520,000)	(819,000)	(1,339,000)	
		0.2	0.2				
<b>Total Maintenance Level</b>				893,000	1,364,000	2,257,000	
% Change from Current Biennium				(51.8)%	(53.3)%	(52.7)%	
<b>Total Maintenance Level Fund Totals</b>							
001-2	General Fund-Federal			275,000		275,000	12.18%
001-C	General Fund-DSHS Medicaid Federa			140,000	693,000	833,000	36.91%
760-1	Health Svcses Trust-State			478,000	671,000	1,149,000	50.91%
996-Z	Estimated All Other-Other						
		0.2	0.2				
<b>Total Agency Activity - H067</b>							
Pgms:080							
<b>2003-05 Current Biennium</b>							
<b>Total Carry Forward Level</b>				1,851,000	2,918,000	4,769,000	
% Change from Current Biennium				2,006,000	2,918,000	4,924,000	3.3%
				8.4%			
<b>Carry Forward Plus Workload Changes</b>							
% Change from Current Biennium				2,046,000	3,072,000	5,118,000	7.3%
				10.5%	5.3%		
<b>Total Maintenance Level</b>				893,000	1,364,000	2,257,000	
% Change from Current Biennium				(51.8)%	(53.3)%	(52.7)%	
<b>2005-07 Total Proposed Budget</b>							
% Change from Current Biennium				893,000	1,364,000	2,257,000	(52.7)%
				(51.8)%	(53.3)%	(52.7)%	

Fund and FTE Detail by Fiscal Year

	Fiscal Year 1 FTEs	Fiscal Year 2 FTEs	Annual Average FTEs	Fiscal Year 1 Funds	Fiscal Year 2 Funds	Total Funds	Percent Share of Recsum
<b>Agency Activity - H089 - SCHIP</b>							
Pgm080							
<b>Total Current Biennium</b>	<b>2.0</b>	<b>2.0</b>	<b>2.0</b>	<b>8,795,000</b>	<b>8,504,000</b>	<b>17,299,000</b>	
<b>Current Biennium Fund Totals</b>							
001-1 General Fund-State				149,000	149,000	298,000	1.72%
001-2 General Fund-Federal				7,509,000	7,939,000	15,448,000	89.30%
001-C General Fund-DSHS Medicaid Federa				(1,718,000)	(2,288,000)	(4,006,000)	(23.16)%
760-1 Health Services Trust-State				2,855,000	2,704,000	5,559,000	32.13%
996-Z Estimated All Other-Other	2.0	2.0	2.0				
<b>00</b>				<b>526,000</b>		<b>526,000</b>	
<b>Carry Forward Adjustments</b>							
001-2 General Fund-Federal				1,001,000		1,001,000	190.30%
001-C General Fund-DSHS Medicaid Federa				(503,000)		(503,000)	(95.63)%
760-1 Health Services Trust-State				28,000		28,000	5.32%
<b>Total Carry Forward Level</b>	<b>2.0</b>	<b>2.0</b>	<b>2.0</b>	<b>9,321,000</b>	<b>8,504,000</b>	<b>17,825,000</b>	<b>3.0%</b>
% Change from Current Biennium							
<b>Total Carry Forward Level Fund Totals</b>							
001-1 General Fund-State				149,000	149,000	298,000	1.67%
001-2 General Fund-Federal				8,510,000	7,939,000	16,449,000	92.28%
001-C General Fund-DSHS Medicaid Federa				(2,221,000)	(2,288,000)	(4,509,000)	(25.30)%
760-1 Health Services Trust-State				2,883,000	2,704,000	5,587,000	31.34%
996-Z Estimated All Other-Other	2.0	2.0	2.0				
<b>93</b>				<b>8,406,000</b>	<b>8,271,000</b>	<b>16,677,000</b>	
<b>Mandatory Caseload Adjustments</b>							
001-2 General Fund-Federal				5,479,000	5,391,000	10,870,000	65.18%
760-1 Health Services Trust-State				2,927,000	2,880,000	5,807,000	34.82%
<b>Carry Forward Plus Workload Changes</b>	<b>2.0</b>	<b>2.0</b>	<b>2.0</b>	<b>17,727,000</b>	<b>16,775,000</b>	<b>34,502,000</b>	
% Change from Current Biennium							
<b>Carry Forward Plus Workload Changes Fund Totals</b>							
001-1 General Fund-State				11,346,000	11,713,000	23,059,000	62.95%
001-2 General Fund-Federal				93,000	112,000	205,000	0.56%
001-C General Fund-DSHS Medicaid Federa				6,028,000	7,336,000	13,364,000	36.49%
760-1 Health Services Trust-State							
996-Z Estimated All Other-Other	1.9	2.3	2.1				
<b>9Z</b>							
<b>Recast to Activity</b>							
001-1 General Fund-State	(0.1)	0.3	0.1	(260,000)	2,386,000	2,126,000	(14.02)%
001-2 General Fund-Federal				(149,000)	(149,000)	(298,000)	(200.38)%
001-C General Fund-DSHS Medicaid Federa				(2,643,000)	(1,617,000)	(4,260,000)	(221.73)%
760-1 Health Services Trust-State				2,314,000	2,400,000	4,714,000	92.66%
996-Z Estimated All Other-Other	(0.1)	0.3	0.1	218,000	1,752,000	1,970,000	
<b>Total Maintenance Level</b>	<b>1.9</b>	<b>2.3</b>	<b>2.1</b>	<b>17,467,000</b>	<b>19,161,000</b>	<b>36,628,000</b>	

**Fund and FTE Detail by Fiscal Year**

	<b>Fiscal Year 1 FTEs</b>	<b>Fiscal Year 2 FTEs</b>	<b>Annual Average FTEs</b>	<b>Fiscal Year 1 Funds</b>	<b>Fiscal Year 2 Funds</b>	<b>Total Funds</b>	<b>Percent Share of Reesum</b>
% Change from Current Biennium	(5.0)%	15.0%	5.0%	98.6%	125.3%	111.7%	
<b>Total Maintenance Level Fund Totals</b>							
001-1 General Fund-State				11,346,000	11,713,000	23,059,000	62.95%
001-2 General Fund-Federal				93,000	112,000	205,000	0.56%
001-C General Fund-DSHS Medicaid Federa				6,028,000	7,336,000	13,364,000	36.49%
760-1 Health Services Trust-State	1.9	2.3	2.1				
996-Z Estimated All Other-Other							
<b>HV Medical Eligibility Review Cycle</b>							
001-2 General Fund-Federal					116,000	116,000	15.34%
760-1 Health Services Trust-State					41,000	41,000	8.38%
<b>LB Provider Rate Increase</b>							
001-C General Fund-DSHS Medicaid Federa				185,000	188,000	373,000	49.90%
760-1 Health Services Trust-State				121,000	123,000	244,000	26.38%
				64,000	65,000	129,000	
<b>2005-07 Total Proposed Budget</b>	<b>1.9</b>	<b>2.3</b>	<b>2.1</b>	<b>17,652,000</b>	<b>19,465,000</b>	<b>37,117,000</b>	
% Change from Current Biennium	(5.0)%	15.0%	5.0%	100.7%	128.9%	114.6%	
<b>2005-07 Budget Fund Summary Totals</b>							
001-1 General Fund-State				11,346,000	11,788,000	23,134,000	62.33%
001-2 General Fund-Federal				214,000	235,000	449,000	1.21%
001-C General Fund-DSHS Medicaid Federa				6,092,000	7,442,000	13,534,000	36.46%
760-1 Health Services Trust-State							
996-Z Estimated All Other-Other	1.9	2.3	2.1				
<b>Total Agency Activity - H089</b>							
Pgm:080							
<b>2003-05 Current Biennium</b>	<b>2.0</b>	<b>2.0</b>	<b>2.0</b>	<b>8,795,000</b>	<b>8,504,000</b>	<b>17,299,000</b>	
<b>Total Carry Forward Level</b>	<b>2.0</b>	<b>2.0</b>	<b>2.0</b>	<b>9,321,000</b>	<b>8,504,000</b>	<b>17,825,000</b>	
% Change from Current Biennium				6.0%		3.0%	
<b>Carry Forward Plus Workload Changes</b>	<b>2.0</b>	<b>2.0</b>	<b>2.0</b>	<b>17,727,000</b>	<b>16,775,000</b>	<b>34,502,000</b>	
% Change from Current Biennium				101.6%	97.3%	99.4%	
<b>Total Maintenance Level</b>	<b>1.9</b>	<b>2.3</b>	<b>2.1</b>	<b>17,467,000</b>	<b>19,161,000</b>	<b>36,628,000</b>	
% Change from Current Biennium	(5.0)%	15.0%	5.0%	98.6%	125.3%	111.7%	
<b>2005-07 Total Proposed Budget</b>	<b>1.9</b>	<b>2.3</b>	<b>2.1</b>	<b>17,652,000</b>	<b>19,465,000</b>	<b>37,117,000</b>	
% Change from Current Biennium	(5.0)%	15.0%	5.0%	100.7%	128.9%	114.6%	
<b>Agency Activity - H091 - Special Programs</b>							
Pgm:080							
<b>Total Current Biennium</b>				<b>109,286,000</b>	<b>111,594,000</b>	<b>220,880,000</b>	

Fund and FTE Detail by Fiscal Year

	Fiscal Year 1	Fiscal Year 2	Annual Average	Fiscal Year 1	Fiscal Year 2	Total Funds	Percent Share of Recsum
	FTEs	FTEs	FTEs	Funds	Funds		
<b>Current Biennium Fund Totals</b>							
001-1	General Fund-State			4,890,000	6,192,000	11,082,000	5.02%
001-2	General Fund-Federal			32,410,000	33,002,000	65,412,000	29.61%
001-C	General Fund-DSHS Medicaid Federa			72,354,000	72,400,000	144,754,000	65.54%
03C-1	Emer Med/Trauma Care-State			(10,000)		(10,000)	0.00%
760-1	Health Svices Trust-State			(358,000)		(358,000)	(0.16)%
00	<b>Carry Forward Adjustments</b>	0.1	0.1	<b>(3,160,000)</b>		<b>(3,160,000)</b>	
001-1	General Fund-State			(3,209,000)		(3,209,000)	101.55%
001-C	General Fund-DSHS Medicaid Federa	0.1	0.1	49,000		49,000	(1.55)%
996-Z	Estimated All Other-Other	0.1	0.1				
<b>Total Carry Forward Level</b>		0.1	0.1	<b>106,126,000</b>	<b>111,594,000</b>	<b>217,720,000</b>	(1.4)%
% Change from Current Biennium							
<b>Total Carry Forward Level Fund Totals</b>				(2.9)%		(1.4)%	
001-1	General Fund-State			1,681,000	6,192,000	7,873,000	3.62%
001-2	General Fund-Federal			32,410,000	33,002,000	65,412,000	30.04%
001-C	General Fund-DSHS Medicaid Federa			72,403,000	72,400,000	144,803,000	66.51%
03C-1	Emer Med/Trauma Care-State			(10,000)		(10,000)	0.00%
760-1	Health Svices Trust-State			(358,000)		(358,000)	(0.16)%
996-Z	Estimated All Other-Other	0.1	0.1				
93	<b>Mandatory Caseload Adjustments</b>			<b>3,637,000</b>	<b>3,143,000</b>	<b>6,780,000</b>	
001-1	General Fund-State			509,000	440,000	949,000	14.00%
001-C	General Fund-DSHS Medicaid Federa			3,128,000	2,703,000	5,831,000	86.00%
<b>Carry Forward Plus Workload Changes</b>	0.1		0.1	<b>109,763,000</b>	<b>114,737,000</b>	<b>224,500,000</b>	
% Change from Current Biennium							
				0.4%	2.8%	1.6%	
<b>Carry Forward Plus Workload Changes Fund Totals</b>							
001-1	General Fund-State			6,132,000	5,999,000	12,131,000	5.66%
001-2	General Fund-Federal						
001-C	General Fund-DSHS Medicaid Federa			100,863,000	101,182,000	202,045,000	94.34%
03C-1	Emer Med/Trauma Care-State						
760-1	Health Svices Trust-State						
996-Z	Estimated All Other-Other	7.6					
			8.5				
9T	<b>Transfers</b>						
001-C	General Fund-DSHS Medicaid Federa			<b>(1,485,000)</b>	<b>(1,485,000)</b>	<b>(2,970,000)</b>	28.77%
				(1,485,000)			
9Z	<b>Recast to Activity</b>	7.5	9.4	<b>(1,283,000)</b>	<b>(6,071,000)</b>	<b>(7,354,000)</b>	(32.05)%
001-1	General Fund-State			3,942,000	(633,000)	3,309,000	633.59%
001-2	General Fund-Federal			(32,410,000)	(33,002,000)	(65,412,000)	(526.74)%
001-C	General Fund-DSHS Medicaid Federa			26,817,000	27,564,000	54,381,000	(0.10)%
03C-1	Emer Med/Trauma Care-State			10,000		10,000	(3.47)%
760-1	Health Svices Trust-State			358,000		358,000	
996-Z	Estimated All Other-Other	7.5	9.4				
			8.5				

**Fund and FTE Detail by Fiscal Year**

	<b>Fiscal Year 1 FTEs</b>	<b>Fiscal Year 2 FTEs</b>	<b>Annual Average FTEs</b>	<b>Fiscal Year 1 Funds</b>	<b>Fiscal Year 2 Funds</b>	<b>Total Funds</b>	<b>Percent Share of Recsum</b>
<b>Total Maintenance Level</b>	<b>7.6</b>	<b>9.4</b>	<b>8.5</b>	<b>106,995,000</b> (2.1)%	<b>107,181,000</b> (4.0)%	<b>214,176,000</b> (3.0)%	
% Change from Current Biennium							
<b>Total Maintenance Level Fund Totals</b>							
001-1 General Fund-State				6,132,000	5,999,000	12,131,000	5.66%
001-2 General Fund-Federal							
001-C General Fund-DSHS Medicaid Federa				100,863,000	101,182,000	202,045,000	94.34%
03C-1 Emer Med/Trauma Care-State							
760-1 Health Services Trust-State							
996-Z Estimated All Other-Other	7.6	9.4	8.5				
<b>HL School Ad-Match</b>							
001-C General Fund-DSHS Medicaid Federa				(9,000,000) (9,000,000)	(9,000,000) (9,000,000)	(18,000,000) (18,000,000)	109.03%
<b>LB Provider Rate Increase</b>							
001-1 General Fund-State				738,000	753,000	1,491,000	(1.14)%
001-7 General Fund-Private/Local				93,000	95,000	188,000	(0.04)%
001-C General Fund-DSHS Medicaid Federa				3,000	3,000	6,000	(7.86)%
642,000					655,000	1,297,000	
<b>2005-07 Total Proposed Budget</b>	<b>7.6</b>	<b>9.4</b>	<b>8.5</b>	<b>98,733,000</b> (9.7)%	<b>98,934,000</b> (11.3)%	<b>197,667,000</b> (10.5)%	
% Change from Current Biennium							
<b>2005-07 Budget Fund Summary Totals</b>							
001-1 General Fund-State				6,225,000	6,094,000	12,319,000	6.23%
001-2 General Fund-Federal							
001-7 General Fund-Private/Local				3,000	3,000	6,000	0.00%
001-C General Fund-DSHS Medicaid Federa				92,505,000	92,837,000	185,342,000	93.76%
03C-1 Emer Med/Trauma Care-State							
760-1 Health Services Trust-State							
996-Z Estimated All Other-Other	7.6	9.4	8.5				
<b>Total Agency Activity - H091</b>							
<b>Pgm:080</b>							
<b>2003-05 Current Biennium</b>							
				<b>109,286,000</b>	<b>111,594,000</b>	<b>220,880,000</b>	
<b>Total Carry Forward Level</b>	<b>0.1</b>		<b>0.1</b>	<b>106,126,000</b>	<b>111,594,000</b>	<b>217,720,000</b>	
% Change from Current Biennium				(2.9)%		(1.4)%	
<b>Carry Forward Plus Workload Changes</b>	<b>0.1</b>		<b>0.1</b>	<b>109,763,000</b>	<b>114,737,000</b>	<b>224,500,000</b>	
% Change from Current Biennium				0.4%	2.8%	1.6%	
<b>Total Maintenance Level</b>	<b>7.6</b>	<b>9.4</b>	<b>8.5</b>	<b>106,995,000</b> (2.1)%	<b>107,181,000</b> (4.0)%	<b>214,176,000</b> (3.0)%	
% Change from Current Biennium							
<b>2005-07 Total Proposed Budget</b>	<b>7.6</b>	<b>9.4</b>	<b>8.5</b>	<b>98,733,000</b> (9.7)%	<b>98,934,000</b> (11.3)%	<b>197,667,000</b> (10.5)%	
% Change from Current Biennium							
<b>Total Program - 080</b>							



**Fund and FTE Detail by Fiscal Year**

	<b>Fiscal Year 1 FTEs</b>	<b>Fiscal Year 2 FTEs</b>	<b>Annual Average FTEs</b>	<b>Fiscal Year 1 Funds</b>	<b>Fiscal Year 2 Funds</b>	<b>Total Funds</b>	<b>Percent Share of Recsum</b>
<b>2003-05 Current Biennium</b>	<b>1,005.1</b>	<b>1,052.0</b>	<b>1,028.6</b>	<b>3,550,471,000</b>	<b>3,712,160,000</b>	<b>7,262,631,000</b>	
<b>Total Carry Forward Level</b>	<b>1,023.0</b>	<b>1,023.0</b>	<b>1,023.0</b>	<b>3,694,583,000</b>	<b>3,694,604,000</b>	<b>7,389,187,000</b>	
% Change from Current Biennium	1.8%	(2.8)%	(0.5)%	4.1%	(0.5)%	1.7%	
<b>Carry Forward Plus Workload Changes</b>	<b>1,047.0</b>	<b>1,047.0</b>	<b>1,047.0</b>	<b>3,801,946,000</b>	<b>4,033,151,000</b>	<b>7,835,097,000</b>	
% Change from Current Biennium	4.2%	(0.5)%	1.8%	7.1%	8.6%	1.8%	
<b>Total Maintenance Level</b>	<b>1,085.0</b>	<b>1,085.0</b>	<b>1,085.0</b>	<b>3,795,277,000</b>	<b>4,021,258,000</b>	<b>7,816,535,000</b>	
% Change from Current Biennium	7.9%	3.1%	5.5%	6.9%	8.3%	7.6%	
<b>2005-07 Total Proposed Budget</b>	<b>1,100.2</b>	<b>1,103.3</b>	<b>1,101.8</b>	<b>3,891,964,000</b>	<b>4,160,315,000</b>	<b>8,052,279,000</b>	
% Change from Current Biennium	9.5%	4.9%	7.1%	9.6%	12.1%	10.9%	



State of Washington  
**Agency Performance Measure**  
**Incremental Estimates for the Biennial Budget**

**Agency: 300      Dept of Social and Health Services**

**Budget Period:      2005-07**

**Activity: H001      Administrative Costs**

080	M1	94	Mandatory Workload Adjustments	No measures linked to activity
080	M1	94	Mandatory Workload Adjustments	No measures linked to decision package
080	M2	8L	Lease Rate Adjustments	No measures linked to activity
080	M2	8L	Lease Rate Adjustments	No measures linked to decision package
080	M2	9M	Medical Inflation	No measures linked to activity
080	M2	9M	Medical Inflation	No measures linked to decision package
080	M2	FD	Wide Area Network (WAN) Usage	No measures linked to activity
080	M2	FD	Wide Area Network (WAN) Usage	No measures linked to decision package
080	M2	HA	MMIS Reprocurement	No measures linked to activity
080	M2	HA	MMIS Reprocurement	No measures linked to decision package
080	M2	HE	HIPAA Funding	No measures linked to activity
080	M2	HE	HIPAA Funding	No measures linked to decision package
080	PL	9G	FTE Staff Adjustment	No measures linked to activity
080	PL	9G	FTE Staff Adjustment	No measures linked to decision package
080	PL	9T	Transfers	No measures linked to activity
080	PL	9T	Transfers	No measures linked to decision package
080	PL	DB	Children Aging Out of Other Svcs	No measures linked to activity
080	PL	DB	Children Aging Out of Other Svcs	No measures linked to decision package
080	PL	HJ	Medical Nutrition Scope of Coverage	No measures linked to activity
080	PL	HJ	Medical Nutrition Scope of Coverage	No measures linked to decision package
080	PL	HL	School Ad-Match	No measures linked to activity
080	PL	HL	School Ad-Match	No measures linked to decision package
080	PL	HM	MAA Relocation	No measures linked to activity
080	PL	HM	MAA Relocation	No measures linked to decision package
080	PL	HP	MMIS Electronic Billing	No measures linked to activity
080	PL	HP	MMIS Electronic Billing	No measures linked to decision package
080	PL	HT	Emergency Department Utilization	No measures linked to activity
080	PL	HT	Emergency Department Utilization	No measures linked to decision package
080	PL	HU	Reinstate Children's Health Program	No measures linked to activity
080	PL	HU	Reinstate Children's Health Program	No measures linked to decision package
080	PL	LC	Part D Administration Costs	No measures linked to activity
080	PL	LC	Part D Administration Costs	No measures linked to decision package

**Activity: H023      Disproportionate Share Hospital/Proshare**

080	M2	HF	NH ProShare	No measures linked to activity
080	M2	HF	NH ProShare	No measures linked to decision package
080	PL	HH	IGT Design	No measures linked to activity
080	PL	HH	IGT Design	No measures linked to decision package

State of Washington  
**Agency Performance Measure**  
**Incremental Estimates for the Biennial Budget**

**Agency: 300      Dept of Social and Health Services      Budget Period: 2005-07**

**Activity: H056      Mandatory Medicaid Program for Children and Families**

080	M1	93	Mandatory Caseload Adjustments	No measures linked to decision package
080	PL	HJ	Medical Nutrition Scope of Coverage	No measures linked to decision package
080	PL	HN	Service Rate Increase	No measures linked to decision package
080	PL	HQ	Hospital Blood Co-factor	No measures linked to decision package
080	PL	HT	Emergency Department Utilization	No measures linked to decision package
080	PL	HW	Safe Moms/Babies Sustainable Fund	No measures linked to decision package
080	PL	LB	Provider Rate Increase	No measures linked to decision package
080	PL	LD	Hospital Recalibration	No measures linked to decision package

**Activity: H057      Medicaid for Optional Children**

080	M1	93	Mandatory Caseload Adjustments	No measures linked to decision package
080	PL	DB	Children Aging Out of Other Svcs	No measures linked to decision package
080	PL	HJ	Medical Nutrition Scope of Coverage	No measures linked to decision package
080	PL	HQ	Hospital Blood Co-factor	No measures linked to decision package
080	PL	HT	Emergency Department Utilization	No measures linked to decision package
080	PL	HU	Reinstate Children's Health Program	No measures linked to decision package
080	PL	HV	Medical Eligibility Review Cycle	No measures linked to decision package
080	PL	LB	Provider Rate Increase	No measures linked to decision package
080	PL	LD	Hospital Recalibration	No measures linked to decision package

**Activity: H058      Medicaid Program for Aged, Blind and Disabled**

080	M1	93	Mandatory Caseload Adjustments	No measures linked to activity
080	M1	93	Mandatory Caseload Adjustments	No measures linked to decision package
080	PL	HJ	Medical Nutrition Scope of Coverage	No measures linked to activity
080	PL	HJ	Medical Nutrition Scope of Coverage	No measures linked to decision package
080	PL	HN	Service Rate Increase	No measures linked to activity
080	PL	HN	Service Rate Increase	No measures linked to decision package
080	PL	HQ	Hospital Blood Co-factor	No measures linked to activity
080	PL	HQ	Hospital Blood Co-factor	No measures linked to decision package
080	PL	HT	Emergency Department Utilization	No measures linked to activity
080	PL	HT	Emergency Department Utilization	No measures linked to decision package
080	PL	LB	Provider Rate Increase	No measures linked to activity
080	PL	LB	Provider Rate Increase	No measures linked to decision package
080	PL	LD	Hospital Recalibration	No measures linked to activity
080	PL	LD	Hospital Recalibration	No measures linked to decision package

State of Washington  
**Agency Performance Measure**  
**Incremental Estimates for the Biennial Budget**

**Agency: 300      Dept of Social and Health Services      Budget Period: 2005-07**

**Activity: H060      Medical Care for General Assistance Unemployable and ADATSA**

080	M1	93	Mandatory Caseload Adjustments	No measures linked to activity
080	M1	93	Mandatory Caseload Adjustments	No measures linked to decision package
080	PL	HN	Service Rate Increase	No measures linked to activity
080	PL	HN	Service Rate Increase	No measures linked to decision package
080	PL	LB	Provider Rate Increase	No measures linked to activity
080	PL	LB	Provider Rate Increase	No measures linked to decision package

**Activity: H066      Optional Health Benefits: Dental, Vision, and Hearing**

080	M1	93	Mandatory Caseload Adjustments	No measures linked to activity
080	M1	93	Mandatory Caseload Adjustments	No measures linked to decision package
080	PL	HU	Reinstate Children's Health Program	No measures linked to activity
080	PL	HU	Reinstate Children's Health Program	No measures linked to decision package
080	PL	HV	Medical Eligibility Review Cycle	No measures linked to activity
080	PL	HV	Medical Eligibility Review Cycle	No measures linked to decision package
080	PL	LB	Provider Rate Increase	No measures linked to activity
080	PL	LB	Provider Rate Increase	No measures linked to decision package
080	PL	LD	Hospital Recalibration	No measures linked to activity
080	PL	LD	Hospital Recalibration	No measures linked to decision package

**Activity: H067      Optional Health Care for Workers with Disability**

080	M1	93	Mandatory Caseload Adjustments	No measures linked to activity
080	M1	93	Mandatory Caseload Adjustments	No measures linked to decision package

**Activity: H089      SCHIP**

080	M1	93	Mandatory Caseload Adjustments	No measures linked to decision package
080	PL	HV	Medical Eligibility Review Cycle	No measures linked to decision package
080	PL	LB	Provider Rate Increase	No measures linked to decision package

State of Washington  
**Agency Performance Measure**  
**Incremental Estimates for the Biennial Budget**

**Agency: 300      Dept of Social and Health Services**

**Budget Period:      2005-07**

**Activity: H091      Special Programs**

080	M1	93	Mandatory Caseload Adjustments	No measures linked to activity
080	M1	93	Mandatory Caseload Adjustments	No measures linked to decision package
080	M2	9T	Transfers	No measures linked to activity
080	M2	9T	Transfers	No measures linked to decision package
080	PL	HL	School Ad-Match	No measures linked to activity
080	PL	HL	School Ad-Match	No measures linked to decision package
080	PL	LB	Provider Rate Increase	No measures linked to activity
080	PL	LB	Provider Rate Increase	No measures linked to decision package

**Activity: P001      Information Systems Services**

080	PL	PA	Electronic Intrusion Prevention	No measures linked to activity
080	PL	PA	Electronic Intrusion Prevention	No measures linked to decision package



## Activity Inventory Indirect Cost Allocation Approach

Medical Assistance Administration

Date: 8/24/04

**Allocation Method Description:** Total indirect costs were allocated to activities based on the number of FTEs in each activity.

	% Allocation Received	Dollars Allocated FY1	Dollars Allocated FY2	Total Allocated
V50-6-H001	100%	\$34,476,000	\$35,499,000	\$69,975,000
V70-6-H091	100%	\$53,445,000	\$53,515,000	\$106,960,000
V90-6-H001	29%	\$26,265,000	\$31,702,000	\$57,967,000
V90-6-H023	100%	\$150,000	\$150,000	\$300,000
V90-6-H056	50.065%	\$23,533,000	\$24,057,000	\$47,590,000
V90-6-H057	14.413%	\$6,250,000	\$6,091,000	\$12,341,000
V90-6-H058	3.266%	\$1,545,000	\$1,727,000	\$3,272,000
V90-6-H060	0.284%	\$134,000	\$68,000	\$202,000
V90-6-H066	2.956%	\$1,405,000	\$1,346,000	\$2,751,000
Net X50 H056	1.531%			
J90 H056	0.012%			
Cat 1055 H057	1.297%			
X51 H058	0.049%			
X52 H060	0.009%			
Cat 1059 H067	0.015%			
X58 H089	0.043%			
V90-6-H067	0.001	\$15,000	\$17,000	\$32,000
V90-6-H089	0.004	\$139,000	\$165,000	\$304,000
V90-6-H091	0.011	\$543,000	\$666,000	\$1,209,000
V90-8-H001	100%	\$44,053,000	\$30,085,000	\$74,138,000
		\$191,953,000	\$185,088,000	\$377,041,000





# **Expenditure Detail By Program**

## **Budget Recommendation Summary**

**DSHS BUDGET DIVISION**

State of Washington  
Department of Social and Health Services  
**Recommendation Summary**

Version: 11 - 2005-07 Agency Request Budget

Budget Period:2005-07  
Budget Level Criteria: ALL

Dollars in Thousands	Program Priority	Annual Avg FTEs	General Fund State	Other Funds	Total Funds
<b>Program 080 - Medical Assistance</b>					
<b>CB - Current Biennium</b>					
ZA Current Biennium Base	0	1,028.6	2,368,690	4,893,941	7,262,631
SubTotal CB		<u>1,028.6</u>	<u>2,368,690</u>	<u>4,893,941</u>	<u>7,262,631</u>
Cumulative Total Thru CB		<u>1,028.6</u>	<u>2,368,690</u>	<u>4,893,941</u>	<u>7,262,631</u>
<b>CL - Carry Forward Level</b>					
00 Carry Forward Adjustments	0	(5.6)	125,883	673	126,556
SubTotal CL		<u>(5.6)</u>	<u>125,883</u>	<u>673</u>	<u>126,556</u>
Cumulative Total Thru CL		<u>1,023.0</u>	<u>2,494,573</u>	<u>4,894,614</u>	<u>7,389,187</u>
<b>M1 - Mandatory Caseload and Enrollment Changes</b>					
93 Mandatory Caseload Adjustments	0	0.0	201,675	241,057	442,732
94 Mandatory Workload Adjustments	0	24.0	1,389	1,789	3,178
SubTotal M1		<u>24.0</u>	<u>203,064</u>	<u>242,846</u>	<u>445,910</u>
Cumulative Total Thru M1		<u>1,047.0</u>	<u>2,697,637</u>	<u>5,137,460</u>	<u>7,835,097</u>
<b>M2 - Inflation and Other Rate Changes</b>					
8L Lease Rate Adjustments	0	0.0	157	244	401
9M Medical Inflation	0	0.0	73	1,468	1,541
9T Transfers	0	0.0	0	(2,970)	(2,970)
9Z Recast to Activity	0	0.0	0	0	0
FD Wide Area Network (WAN) Usage	0	0.0	117	119	236
HA MMIS Reprocurement	0	35.0	5,744	45,108	50,852
HE HIPAA Funding	0	3.0	768	2,306	3,074
HF NH ProShare	0	0.0	0	(71,696)	(71,696)
SubTotal M2		<u>38.0</u>	<u>6,859</u>	<u>(25,421)</u>	<u>(18,562)</u>
Cumulative Total Thru M2		<u>1,085.0</u>	<u>2,704,496</u>	<u>5,112,039</u>	<u>7,816,535</u>
<b>PL - Performance Level</b>					
9G FTE Staff Adjustment	0	(0.1)	0	0	0
9T Transfers	0	(0.1)	(2)	(2)	(4)
DB Children Aging Out of Other Svcs	0	1.5	0	1,581	1,581
HH IGT Design	0	0.0	0	5,400	5,400
HJ Medical Nutrition Scope of Coverage	0	3.0	(2,584)	(2,583)	(5,167)
HL School Ad-Match	0	(2.0)	(123)	(18,121)	(18,244)
HM MAA Relocation	0	0.0	1,372	1,372	2,744
HN Service Rate Increase	0	0.0	51,206	45,360	96,566
HP MMIS Electronic Billing	0	1.0	102	303	405
HQ Hospital Blood Co-factor	0	0.0	2,000	2,000	4,000
HT Emergency Department Utilization	0	1.5	958	959	1,917
HU Reinstate Children's Health Program	0	3.0	10,832	1,650	12,482
HV Medical Eligibility Review Cycle	0	0.0	0	4,867	4,867
HW Safe Moms/Babies Sustainable Fund	0	0.0	1,760	1,440	3,200
LB Provider Rate Increase	0	0.0	45,205	67,772	112,977
LC Part D Administration Costs	0	9.0	584	581	1,165
LD Hospital Recalibration	0	0.0	5,900	5,900	11,800
PA Electronic Intrusion Prevention	0	0.0	28	27	55

State of Washington  
Department of Social and Health Services  
**Recommendation Summary**

Budget Period: 2005-07  
Budget Level Criteria: ALL

Version: 11 - 2005-07 Agency Request Budget

Dollars in Thousands	Program Priority	Annual Avg FTEs	General Fund State	Other Funds	Total Funds
<b>Program 080 - Medical Assistance</b>					
	SubTotal PL	16.8	117,238	118,506	235,744
	Cumulative Total Thru PL	1,101.8	2,821,734	5,230,545	8,052,279
<b>Total Proposed Budget for Program 080 - Medical Assistance</b>		1,101.8	2,821,734	5,230,545	8,052,279

**Recommendation Summary Text**

**8L - Lease Rate Adjustments**

(M2) Funding is requested for the incremental cost of lease renewals on site in the Department of Social and Health Services (DSHS) offices and client service centers statewide.

**93 - Mandatory Caseload Adjustments**

(M1) This is a request for additional funding to meet the projected expenditures resulting from changes in the 2003-05 Biennium Medical Assistance Administration (MAA) Maintenance Level caseload.

**94 - Mandatory Workload Adjustments**

(M1) The Medical Assistance Administration (MAA) requests additional positions needed to continue meeting both customer and provider needs in an effective and timely fashion. The increased need is driven primarily by the need to maintain and improve customer and provider response time, as well as an ongoing effort to address the claims inventory backlog.

**9G - FTE Staff Adjustment**

(PL) This decision package centralizes the Department of Social and Health Services (DSHS) background check Full-Time Equivalents (FTEs) in the Background Checks Central Unit (BCCU).

**9M - Medical Inflation**

(M2) This item funds inflation applicable to professional medical services and supplies purchased by the Department of Social and Health Services (DSHS) programs as an integral component of services provided to agency clients.

**9T - Transfers**

(PL) This decision package transfers funding and Full-Time Equivalents (FTEs) to centralize the funding for certain functions currently split among the Department of Social and Health Services (DSHS) Administrations.

(M2) This item transfers the federal funding for the Home Care Quality Authority (HCQA) from the Medical Assistance Administration (MAA) to Long-Term Care (LTC).

**DB - Children Aging Out of Other Svcs**

(PL) Provide medical benefits as defined in Title XIX of the Social Security Act for youth ages 18 through 20, if they are in foster care on their 18th birthday or later.

**FD - Wide Area Network (WAN) Usage**

(M2) The Department of Social and Health Services (DSHS) is requesting funding to upgrade the Wide Area Network (WAN)

## Recommendation Summary

Budget Period: 2005-07  
Budget Level Criteria: ALL

Version: 11 - 2005-07 Agency Request Budget

Dollars in Thousands	Program Priority	Annual Avg FTEs	General Fund State	Other Funds	Total Funds
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### FD - Wide Area Network (WAN) Usage infrastructure.

### HA - MMIS Reprocurement

(M2) The department is requesting funds to complete Design, Development and Implementation (DDI) of a new Medicaid Management Information System (MMIS). The department has completed the Requirement Analysis Phase of the project and currently is completing a competitive procurement to select an MMIS vendor. Design work is scheduled to begin in early January 2005, with replacement of the current MMIS scheduled for December 31, 2006.

### HE - HIPAA Funding

(M2) This decision package requests funding for ongoing Medical Assistance Administration (MAA) operations to maintain compliance with existing federal Health Insurance Portability and Accountability Act (HIPAA) legislation and plan the implementation of future HIPAA rules such as the National Provider Identifier.

### HF - NH ProShare

(M2) This reflects the phasing out of the Nursing Home (NH) ProShare activity as required by the Centers for Medicare and Medicaid Services (CMS).

### HH - IGT Design

(PL) The Centers for Medicare and Medicaid Services (CMS) have notified Washington State that the Intergovernmental Transfer structure (IGT) will no longer be approved. This decision package is intended to propose a new methodology for maintaining revenue from Upper Payment Limit (UPL) and Disproportionate Share Hospital (DSH) funding while satisfying the requirements of CMS.

### HJ - Medical Nutrition Scope of Coverage

(PL) This proposal is to implement uniform policy changes that include standardizing medical necessity language; monitoring program compliance; monitoring expenditures; and determining cost effectiveness for the medical nutrition program within the Medical Assistance Administration (MAA). As a result of these changes, we anticipate potential savings of approximately 30 percent of total program expenditures.

### HL - School Ad-Match

(PL) Federal spending for the medicaid administrative activities provided by school districts has declined as a result of new federal guidelines. It is recommended that the amount of the federal Medicaid Ad-Match appropriation be reduced to reflect this program change.

### HM - MAA Relocation

(PL) The Medical Assistance Administration (MAA) is located in a building that is 25 years old and no longer meets the needs of the program. MAA will be moving to a new location in 2005 and one-time funding is needed to pay for the move.

### HN - Service Rate Increase

(PL) The Department of Social and Health Services' (DSHS) reimbursement rates for physicians and certain other providers are significantly below Medicare and many other Medicaid program rates. To help sustain participation in the Medicaid program and to improve access to physician care, DSHS would increase Physician-Related Services payment rates to 75 percent of Medicare rates.

State of Washington  
Department of Social and Health Services  
**Recommendation Summary**

Budget Period: 2005-07  
Budget Level Criteria: ALL

Version: 11 - 2005-07 Agency Request Budget

Dollars in Thousands	Program Priority	Annual Avg FTEs	General Fund State	Other Funds	Total Funds
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**HP - MMIS Electronic Billing**

(PL) This proposal identifies opportunities to simplify the administrative burden for the provider community and the Medical Assistance Administration (MAA) staff in reducing the paper claims submitted to the Medicaid Management Information System (MMIS) for payment.

**HQ - Hospital Blood Co-factor**

(PL) This decision package is written to support the funding of blood clotting factor drugs used in hospitals for patients with hemophilia. The Medical Assistance Administration's (MAA) Diagnostic Related Group (DRG) reimbursement system does not currently cover the enormous expense of these drugs. This proposal will provide a supplemental payment for blood clotting factor costs incurred by hospitals. This payment would be added onto the normal payment to hospitals for care of these patients. The type of reimbursement plan we are proposing is similar to the system used by Medicare.

**HT - Emergency Department Utilization**

(PL) The purpose of the pilot program is to reduce inappropriate utilization of Emergency Rooms (ER) by Medical Assistance Administration (MAA) clients and to enhance client health outcomes. Local case managers will be used to assist frequent ERs users to get needed health care, pain management services, mental health and chemical dependency treatment as appropriate, thereby reducing the need to inappropriately utilize emergency care.

**HU - Reinstate Children's Health Program**

(PL) This is to request funding and reinstatement of a Department of Social and Health Services (DSHS) - administered medical program for Medicaid ineligible, non-citizen children, under the age of 18, whose family income is equal to or under 100 percent of the federal poverty level (FPL).

**HV - Medical Eligibility Review Cycle**

(PL) This is to stabilize the children's caseload and reduce administrative burden on DSHS Community Services Offices (CSO), Children's Medical review cycle would be changed back to a 12-month review cycle.

**HW - Safe Moms/Babies Sustainable Fund**

(PL) The Safe Babies/Safe Moms (SBSM) program is for Medicaid eligible pregnant and parenting women identified as "at-serious risk for, or currently using" alcohol or substances who may be enrolled during pregnancy, or anytime before their youngest child turns three years old. This proposal is to obtain sustained funding within the Medical Assistance Administration (MAA) budget to continue providing this necessary service.

**LB - Provider Rate Increase**

(PL) This decision package requests a general rate increase for all Medical Assistance Administration (MAA) providers.

**LC - Part D Administration Costs**

(PL) Beginning January 2006, Medicare beneficiaries will be able to obtain prescription drug coverage through the Medicare program. Low-income beneficiaries will be able to obtain subsidized coverage. The Department of Social and Health Services (DSHS) and local Social Security Administration (SSA) offices will be required to determine eligibility for the low-income assistance. DSHS will need additional resources to provide this service.

**LD - Hospital Recalibration**

(PL) Inpatient hospital payment methodology is currently being updated in accordance with Administrative Simplification

State of Washington  
Department of Social and Health Services  
**Recommendation Summary**

Budget Period: 2005-07  
Budget Level Criteria: ALL

**Version: 11 - 2005-07 Agency Request Budget**

Dollars in Thousands	Program Priority	Annual Avg FTEs	General Fund State	Other Funds	Total Funds
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**LD - Hospital Recalibration**

requirements. This recalibration of hospital rates will change the relative reimbursement to hospitals, causing some hospitals to lose revenue on Medicaid reimbursement and some to gain revenue. This proposal would ensure that all hospitals receive at least the same amount of revenue under the new system as they did under the old.

**PA - Electronic Intrusion Prevention**

(PL) Secure the Department of Social and Health Services (DSHS) networked environment against intrusion. This solution is designed to protect against zero-day or minimum-day exploits, aid in securing the remote access environment, as well as a large variety of known and unknown attacks. This significantly enhances protection of confidential client information, as well as state resources, both equipment and staff time.

# **Expenditure Detail By Program**

**Agency Budget Levels Summary**

**DSHS BUDGET DIVISION**



State of Washington  
Department of Social and Health Services  
2005-07 Agency Budget Levels by Program (DSHS B5)

All Fund/Approp Types

Version: 11		Current Biennium		Carry Forward Level		Maintenance Level		Performance Level	
2005-07 Agency Request Budget		Year 1	Year 2	Year 1	Year 2	Year 1	Year 2	Year 1	Year 2
<b>Program: 080 - Medical Assistance</b>									
<b>FTEs</b>									
996-Z FTEs (EAO-Other)		1,005.1	1,052.0	1,023.0	1,023.0	1,085.0	1,085.0	1,100.2	1,103.3
996-Z FTEs - Annual Average			1,028.6						1,101.8
<b>Objects of Expenditure</b>									
A	Salaries And Wages	46,541,000	47,629,000	46,463,000	45,699,000	49,702,000	49,134,000	50,281,000	49,830,000
B	Employee Benefits	10,985,221	12,158,932	11,976,221	11,751,932	12,851,221	12,532,932	13,020,221	12,734,932
C	Personal Serv Contr	16,694,000	22,880,000	5,604,000	4,404,000	37,264,000	29,355,000	38,033,000	30,089,000
E	Goods And Services	26,944,000	22,174,000	22,192,000	25,676,000	18,715,000	22,970,000	21,627,000	23,161,000
ED	Rentals and Leases	850,000	912,000	850,000	912,000	0	0	0	0
	<b>Subtotal for Object E</b>	<b>27,794,000</b>	<b>23,086,000</b>	<b>23,042,000</b>	<b>26,588,000</b>	<b>18,715,000</b>	<b>22,970,000</b>	<b>21,627,000</b>	<b>23,161,000</b>
G	Travel	402,000	395,000	406,000	395,000	472,000	456,000	481,000	470,000
J	Capital Outlays	0	0	0	0	1,209,000	61,000	1,352,000	103,000
N	Grants, Benfts Servs	3,447,568,000	3,605,477,000	3,606,585,000	3,605,257,000	3,674,348,000	3,906,067,000	3,766,390,000	4,043,221,000
TZ	Unidentified	486,779	534,068	506,779	509,068	715,779	682,068	779,779	706,068
	<b>Total Objects of Expenditure</b>	<b>3,550,471,000</b>	<b>3,712,160,000</b>	<b>3,694,583,000</b>	<b>3,694,604,000</b>	<b>3,795,277,000</b>	<b>4,021,258,000</b>	<b>3,891,964,000</b>	<b>4,160,315,000</b>
<b>Source of Funds</b>									
DSHS Sources for 001-1									
001-1	0011 GF- State	1,119,263,000	1,249,427,000	1,247,279,000	1,247,294,000	1,300,836,000	1,403,660,000	1,348,886,000	1,472,848,000
	<b>Total for: 001-1, Gnl Fnd-State</b>	<b>1,119,263,000</b>	<b>1,249,427,000</b>	<b>1,247,279,000</b>	<b>1,247,294,000</b>	<b>1,300,836,000</b>	<b>1,403,660,000</b>	<b>1,348,886,000</b>	<b>1,472,848,000</b>
DSHS Sources for 001-2									
001-2	001B SS Disab Ins (100%)	31,872,000	32,935,000	32,837,000	32,855,000	33,391,000	34,092,000	33,391,000	34,092,000
001-2	566B Refugee/Ent (100%)	3,596,000	3,505,000	3,531,000	3,505,000	2,527,000	2,455,000	2,601,000	2,607,000
001-2	767H CHIP (CHIP)	37,491,000	45,851,000	32,689,000	32,697,000	13,125,000	13,365,000	13,125,000	13,440,000
	<b>Total for: 001-2, Gnl Fnd-Federal</b>	<b>72,959,000</b>	<b>82,291,000</b>	<b>69,057,000</b>	<b>69,057,000</b>	<b>49,043,000</b>	<b>49,912,000</b>	<b>49,117,000</b>	<b>50,139,000</b>
DSHS Sources for 001-7									
001-7	5417 Contr & Grnt	130,330,000	147,966,000	147,966,000	147,966,000	147,966,000	147,966,000	148,481,000	148,492,000
	<b>Total for: 001-7, Gnl Fnd-Priv-Loc</b>	<b>130,330,000</b>	<b>147,966,000</b>	<b>147,966,000</b>	<b>147,966,000</b>	<b>147,966,000</b>	<b>147,966,000</b>	<b>148,481,000</b>	<b>148,492,000</b>

State of Washington  
Department of Social and Health Services  
2005-07 Agency Budget Levels by Program (DSHS B5)

Version: 11				All Fund/Approp Types			
2005-07 Agency Request Budget				Performance Level			
Program: 080 - Medical Assistance							
With Objects - All							
Current Biennium		Carry Forward Level		Maintenance Level		Performance Level	
Year 1	Year 2	Year 1	Year 2	Year 1	Year 2	Year 1	Year 2
<b>Source of Funds</b>							
DSHS Sources for 001-C							
001-C 19TA T19 Assist (FMAP)	1,709,470,000	1,701,833,000	1,703,346,000	1,701,723,000	1,752,546,000	1,800,858,000	1,927,332,000
001-C 19TB T19 Assist (100%)	12,436,000	11,904,000	11,319,000	11,904,000	6,000,000	6,000,000	6,000,000
001-C 19TD T19 Assist (90%)	33,541,000	36,434,000	35,098,000	36,434,000	36,882,000	36,882,000	36,999,000
001-C 19TV T19 Assist (var%)	(322,000)	(1,077,000)	(322,000)	(1,077,000)	0	0	0
001-C 19UD T19 Admin (90%)	4,641,000	17,680,000	1,924,000	2,639,000	27,923,000	27,923,000	21,799,000
001-C 19UG T19 Admin (75%)	19,370,000	12,944,000	4,553,000	11,606,000	15,674,500	15,841,500	11,454,500
001-C 19UL T19 Admin (50%)	92,454,000	86,229,000	94,861,000	87,556,000	87,279,500	79,027,500	84,979,500
<b>Total for: 001-C, Grnl Fnd-DSHS Med</b>	<b>1,871,590,000</b>	<b>1,865,947,000</b>	<b>1,850,779,000</b>	<b>1,850,785,000</b>	<b>1,926,305,000</b>	<b>1,966,532,000</b>	<b>2,088,564,000</b>
DSHS Sources for 03C-1							
03C-1 03C1 Em Med/Tr	6,754,000	7,250,000	7,250,000	7,250,000	7,250,000	7,250,000	7,250,000
<b>Total for: 03C-1, Emer Med-State</b>	<b>6,754,000</b>	<b>7,250,000</b>	<b>7,250,000</b>	<b>7,250,000</b>	<b>7,250,000</b>	<b>7,250,000</b>	<b>7,250,000</b>
DSHS Sources for 760-1							
760-1 7601 HSA	349,575,000	359,279,000	372,252,000	372,252,000	363,877,000	371,698,000	393,022,000
<b>Total for: 760-1, Hlth Srv-State</b>	<b>349,575,000</b>	<b>359,279,000</b>	<b>372,252,000</b>	<b>372,252,000</b>	<b>363,877,000</b>	<b>371,698,000</b>	<b>393,022,000</b>
<b>Total Source of Funds</b>	<b>3,550,471,000</b>	<b>3,712,160,000</b>	<b>3,694,583,000</b>	<b>3,694,604,000</b>	<b>3,795,277,000</b>	<b>3,891,964,000</b>	<b>4,160,315,000</b>
<b>Total Objects - Program: 080</b>	<b>3,550,471,000</b>	<b>3,712,160,000</b>	<b>3,694,583,000</b>	<b>3,694,604,000</b>	<b>3,795,277,000</b>	<b>3,891,964,000</b>	<b>4,160,315,000</b>
<b>Biennial Total Objects - Program: 080</b>		<b>7,262,631,000</b>		<b>7,389,187,000</b>		<b>7,816,535,000</b>	<b>8,052,279,000</b>
<b>Total Funds - Program: 080</b>	<b>3,550,471,000</b>	<b>3,712,160,000</b>	<b>3,694,583,000</b>	<b>3,694,604,000</b>	<b>3,795,277,000</b>	<b>3,891,964,000</b>	<b>4,160,315,000</b>
<b>Biennial Total Funds - Program: 080</b>		<b>7,262,631,000</b>		<b>7,389,187,000</b>		<b>7,816,535,000</b>	<b>8,052,279,000</b>

State of Washington  
Department of Social and Health Services  
**2005-07 Agency Budget Levels by Program (DSHS B5)**

Version: 11 2005-07 Agency Request Budget	With Objects - All						All Fund/Approp Types	
	Current Biennium		Carry Forward Level		Maintenance Level		Performance Level	
	<u>Year 1</u>	<u>Year 2</u>	<u>Year 1</u>	<u>Year 2</u>	<u>Year 1</u>	<u>Year 2</u>	<u>Year 1</u>	<u>Year 2</u>
<b>Overall Total Objects</b>	3,550,471,000	3,712,160,000	3,694,583,000	3,694,604,000	3,795,277,000	4,021,258,000	3,891,964,000	4,160,315,000
<b>Biennial Overall Total Objects</b>		7,262,631,000		7,389,187,000		7,816,535,000		8,052,279,000
<b>Overall Total Funds</b>	3,550,471,000	3,712,160,000	3,694,583,000	3,694,604,000	3,795,277,000	4,021,258,000	3,891,964,000	4,160,315,000
<b>Biennial Overall Total Funds</b>		7,262,631,000		7,389,187,000		7,816,535,000		8,052,279,000



State of Washington  
Department of Social and Health Services  
**Recommendation Summary**

Budget Period:2005-07

Version: 11 - 2005-07 Agency Request Budget

Budget Level Criteria: M1+M2

Dollars in Thousands	Program Priority	Annual Avg FTEs	General Fund State	Other Funds	Total Funds
<b>Program 080 - Medical Assistance</b>					
<b>M1 - Mandatory Caseload and Enrollment Changes</b>					
93 Mandatory Caseload Adjustments	0	0.0	201,675	241,057	442,732
94 Mandatory Workload Adjustments	0	24.0	1,389	1,789	3,178
<b>SubTotal M1</b>		<b>24.0</b>	<b>203,064</b>	<b>242,846</b>	<b>445,910</b>
<b>M2 - Inflation and Other Rate Changes</b>					
8L Lease Rate Adjustments	0	0.0	157	244	401
9M Medical Inflation	0	0.0	73	1,468	1,541
9T Transfers	0	0.0	0	(2,970)	(2,970)
9Z Recast to Activity	0	0.0	0	0	0
FD Wide Area Network (WAN) Usage	0	0.0	117	119	236
HA MMIS Reprocurement	0	35.0	5,744	45,108	50,852
HE HIPAA Funding	0	3.0	768	2,306	3,074
HF NH ProShare	0	0.0	0	(71,696)	(71,696)
<b>SubTotal M2</b>		<b>38.0</b>	<b>6,859</b>	<b>(25,421)</b>	<b>(18,562)</b>
<b>Total Proposed M1+M2 Budget for Program 080 - Medical Assistance</b>		<b>62.0</b>	<b>209,923</b>	<b>217,425</b>	<b>427,348</b>

Department of Social and Health Services

**DP Code/Title: M1-93 Mandatory Caseload Adjustments**

**Program Level - 080 Medical Assistance**

Budget Period: 2005-07 Version: H1 080 2005-07 Agency Req 2 YR

**Recommendation Summary Text:**

This is a request for additional funding to meet the projected expenditures resulting from changes in the 2003-05 Biennium Medical Assistance Administration (MAA) Maintenance Level caseload.

**Fiscal Detail:**

**Operating Expenditures**

	<b><u>FY 1</u></b>	<b><u>FY 2</u></b>	<b><u>Total</u></b>
<b>Program 080</b>			
001-1 General Fund - Basic Account-State	48,929,000	152,746,000	201,675,000
001-2 General Fund - Basic Account-Federal	5,138,000	5,462,000	10,600,000
001-C General Fund - Basic Account-DSHS Medicaid Federa	41,770,000	151,250,000	193,020,000
760-1 Health Services Account-State	9,843,000	27,594,000	37,437,000
<b>Total Cost</b>	<b>105,680,000</b>	<b>337,052,000</b>	<b>442,732,000</b>

**Staffing**

**Package Description:**

This request is based on calculations of the incremental monthly change in the number of eligible persons between the February 2004 Caseload Forecast and the June 2004 Caseload Forecast for MAA. The calculated increase (or decrease) in the number of eligible persons was multiplied by a three year average of monthly per capita costs by fund source to provide an estimate of the increase (or decrease) in costs related to these caseload changes. Per capita costs and changes in eligible persons were calculated for each forecasted eligibility category.

**Narrative Justification and Impact Statement**

***How contributes to strategic plan:***

This step contributes to the agency's strategic plan by ensuring that MAA clients have access to quality health care.

***Performance Measure Detail***

**Program: 080**

**Activity: H056 Mandatory Medicaid Program for Children and Families**

No measures linked to package

<b>Incremental Changes</b>	
<b><u>FY 1</u></b>	<b><u>FY 2</u></b>
0.00	0.00

**Activity: H057 Medicaid for Optional Children**

No measures linked to package

<b>Incremental Changes</b>	
<b><u>FY 1</u></b>	<b><u>FY 2</u></b>
0.00	0.00

**Activity: H058 Medicaid Program for Aged, Blind and Disabled**

No measures linked to package

<b>Incremental Changes</b>	
<b><u>FY 1</u></b>	<b><u>FY 2</u></b>
0.00	0.00

**Activity: H060 Medical Care for General Assistance Unemployable and ADATSA**

No measures linked to package

<b>Incremental Changes</b>	
<b><u>FY 1</u></b>	<b><u>FY 2</u></b>
0.00	0.00

**Activity: H066 Optional Health Benefits: Dental, Vision, and Hearing**

No measures linked to package

<b>Incremental Changes</b>	
<b><u>FY 1</u></b>	<b><u>FY 2</u></b>
0.00	0.00

Department of Social and Health Services

**DP Code/Title: M1-93 Mandatory Caseload Adjustments**

**Program Level - 080 Medical Assistance**

Budget Period: 2005-07 Version: H1 080 2005-07 Agency Req 2 YR

	Incremental Changes	
	<u>FY 1</u>	<u>FY 2</u>
<b>Activity: H067 Optional Health Care for Workers with Disability</b>		
No measures linked to package	0.00	0.00
<b>Activity: H089 SCHIP</b>		
No measures linked to package	0.00	0.00
<b>Activity: H091 Special Programs</b>		
No measures linked to package	0.00	0.00

***Reason for change:***

The forecasted changes in the MAA caseload result in a need for increased funding to maintain health services coverage for additional MAA clients during the 2005-07 Biennium at current biennium levels.

***Impact on clients and services:***

This step includes funding projected as necessary to maintain existing services in the amount, duration and scope, as are available to persons who are currently eligible for Medical Assistance and for the additional persons who will become eligible for MAA in the 2005-07 Biennium.

***Impact on other state programs:***

Funding in this step directly affects clients of virtually all other DSHS programs. MAA is obligated to pay the costs of certain necessary medical services for eligible MAA clients served by the Aging and Adult Services Administration, for Medical Assistance-eligible children served by the Children's Administration, and for eligible Health and Rehabilitative Services Administration clients. Basic Medical Care services for eligible DSHS populations are the responsibility of MAA. As stated above, the funding sought in this step will ensure that these populations and persons who are solely MAA-eligible clients, will have access to medical services of the amount, duration and scope currently defined in the DSHS State plan for Medical Assistance.

***Relationship to capital budget:***

None

***Required changes to existing RCW, WAC, contract, or plan:***

No revisions needed if funding is approved.

***Alternatives explored by agency:***

The MAA caseload with the exception of the State Children's Health Insurance Program (SCHIP) is considered an entitlement, thus no alternatives were explored for the non-SCHIP projected caseload growth. If the Legislature limits SCHIP funding, MAA would impose enrollment caps on the program.

***Budget impacts in future biennia:***

This caseload is forecasted every budget cycle. The estimated minimum size of future budgetary impacts would include the second year's funding as adjusted by any subsequent forecast.

***Distinction between one-time and ongoing costs:***

Costs in this package are ongoing.

Department of Social and Health Services

DP Code/Title: M1-93 Mandatory Caseload Adjustments

Program Level - 080 Medical Assistance

Budget Period: 2005-07 Version: H1 080 2005-07 Agency Req 2 YR

**Effects of non-funding:**

Non-funding of the caseload step is likely to result in a drop in coverage for certain optional eligibility groups and/or elimination of certain optional Medical Assistance services. Such actions by MAA would negatively affect the health status of the impacted populations and in some instance, contribute to the costs of uncompensated care in Washington State's Health system as a whole.

**Expenditure Calculations and Assumptions:**

The values shown in this decision package are based on the incremental change by month between the February 2004 Caseload Forecast and the June 2004 Caseload Forecast, multiplied by the February 2004 forecasted per capita costs for the various MAA client populations. This calculation is summarized as:

(June 2004 Caseload minus February 2004 Caseload) X February 2004 per Capita Costs.

See attachment - MAA M1-93 Mandatory Caseload Adjustments.xls

<b>Object Detail</b>		<b><u>FY 1</u></b>	<b><u>FY 2</u></b>	<b><u>Total</u></b>
<b>Program 080 Objects</b>				
N	Grants, Benefits & Client Services	105,680,000	337,052,000	442,732,000
<b>DSHS Source Code Detail</b>				
<b>Program 080</b>		<b><u>FY 1</u></b>	<b><u>FY 2</u></b>	<b><u>Total</u></b>
<b>Fund 001-1, General Fund - Basic Account-State</b>				
<b><u>Sources Title</u></b>				
0011	General Fund State	48,929,000	152,746,000	201,675,000
<b>Total for Fund 001-1</b>		<b>48,929,000</b>	<b>152,746,000</b>	<b>201,675,000</b>
<b>Fund 001-2, General Fund - Basic Account-Federal</b>				
<b><u>Sources Title</u></b>				
566B	Refugee & Entrant Assist-St Admin'd Prog(D)(100%)	(1,074,000)	(650,000)	(1,724,000)
767H	Children's Health Ins Prog (CHIP)	6,212,000	6,112,000	12,324,000
<b>Total for Fund 001-2</b>		<b>5,138,000</b>	<b>5,462,000</b>	<b>10,600,000</b>
<b>Fund 001-C, General Fund - Basic Account-DSHS Medicaid Federa</b>				
<b><u>Sources Title</u></b>				
19TA	Title XIX Assistance (FMAP)	44,375,000	154,294,000	198,669,000
19TB	Title XIX Assistance (100%)	(5,733,000)	(5,747,000)	(11,480,000)
19TD	Title XIX Assistance (90%)	3,128,000	2,703,000	5,831,000
<b>Total for Fund 001-C</b>		<b>41,770,000</b>	<b>151,250,000</b>	<b>193,020,000</b>
<b>Fund 760-1, Health Services Account-State</b>				
<b><u>Sources Title</u></b>				
7601	Health Services Account	9,843,000	27,594,000	37,437,000
<b>Total for Fund 760-1</b>		<b>9,843,000</b>	<b>27,594,000</b>	<b>37,437,000</b>
<b>Total Program 080</b>		<b>105,680,000</b>	<b>337,052,000</b>	<b>442,732,000</b>



FY06	J90	X50	X51	X52	X58	total
<b>Mandatory Casld/Utilization Change</b>						
0011 GF- State		\$25,323,519	\$10,773,114	\$12,323,699		\$48,420,332
03C1 Em Med/Tr		\$0		\$0		\$0
197A T19 Assist (FMAP)		\$31,606,991	\$10,773,114	\$1,993,635		\$44,373,740
197B T19 Assist (100%)		\$0				\$0
197C T19 Assist (90%)		\$0				\$0
197D T19 Assist (var%)		\$0				\$0
197E T19 Assist (var%)		\$0				\$0
5417 Contr & Gmt		\$0				\$0
566B Refugee/Ent (100%)		\$0				\$0
6011 HSA		\$6,497,865			\$3,345,031	(\$1,073,568)
767H CHIP (CHIP)		\$0			\$6,212,200	\$9,842,896
999B Misc (100%)		\$0			\$0	\$6,212,200
total		\$63,428,375	\$21,546,228	\$14,317,334	\$9,557,231	\$107,775,600
<b>Step 2 Man Casld/Utilization Change</b>						
0011 GF- State		\$24,968,990	\$10,611,517	\$11,953,988		\$25,323,519
03C1 Em Med/Tr		\$0		\$0		\$0
197A T19 Assist (FMAP)		\$25,506,841	\$10,611,517	\$1,933,826		\$31,606,990
197B T19 Assist (100%)		\$0				\$0
197C T19 Assist (90%)		\$0				\$0
197D T19 Assist (var%)		\$0				\$0
197E T19 Assist (var%)		\$0				\$0
5417 Contr & Gmt		\$0				\$0
566B Refugee/Ent (100%)		\$0				\$0
6011 HSA		\$181,940	\$19,494			\$6,497,865
767H CHIP (CHIP)		\$0				\$0
999B Misc (100%)		\$0				\$0
total		\$50,657,771	\$51,101			\$63,428,374
<b>Step 3 Man Casld/Utilization Change</b>						
0011 GF- State		\$24,219,921	\$10,611,517	\$11,953,988		\$48,929,513
03C1 Em Med/Tr		\$0		\$0		\$0
197A T19 Assist (FMAP)		\$24,741,636	\$10,611,517	\$1,933,826		\$44,373,739
197B T19 Assist (100%)		\$0				\$0
197C T19 Assist (90%)		\$0				\$0
197D T19 Assist (var%)		\$0				\$0
197E T19 Assist (var%)		\$0				\$0
5417 Contr & Gmt		\$0				\$0
566B Refugee/Ent (100%)		\$0				\$0
6011 HSA		\$178,301	\$15,322			(\$1,073,568)
767H CHIP (CHIP)		\$0			\$2,926,902	\$9,842,896
999B Misc (100%)		\$0			\$5,479,160	\$6,212,200
total		\$49,139,858	\$21,223,034	\$13,887,814	\$8,406,062	\$105,679,600

2005-07 Biennium  
M1-93 Mandatory Caseload Adjustments

FY07	Mandatory Casld/Utilization Change	J90	X50							X51	X52				X58		total
0011 GF- State			\$100,052,201							\$26,670,679	\$25,582,632						\$152,305,512
03CI Em Med/Tr			\$0								\$0						\$0
197A T19 Assist (FMAP)			\$123,549,084							\$26,670,679	\$4,073,874						\$154,293,637
197B T19 Assist (100%)			\$0														\$0
197D T19 Assist (90%)			\$0														\$0
197V T19 Assist (var%a)			\$0														\$0
5417 Contr & Gmt			\$0														\$0
366B Refugee/Ent (100%)			\$0														\$0
7601 HSA			\$24,303,508												\$3,291,423		(\$650,819)
767H CHIP (CHIP)			\$0												\$5,112,643		\$27,594,931
999B Misc (100%)			\$0												\$5,112,643		\$6,112,643
total			\$247,904,793							\$53,341,358	\$29,656,506				\$9,404,066		\$339,655,904
Step 2 Man Casld/Utilization Change			X50-H056	X50-H057	X50-H066	X50-H067											
0011 GF- State			\$98,651,470	\$1,400,731		\$0											\$100,052,201
03CI Em Med/Tr			\$0	\$0		\$0											\$0
197A T19 Assist (FMAP)			\$99,704,110	\$23,721,424		\$123,549											\$123,549,083
197B T19 Assist (100%)			\$0														\$0
197D T19 Assist (90%)			\$0														\$0
197V T19 Assist (var%a)			\$0														\$0
5417 Contr & Gmt			\$0														\$0
366B Refugee/Ent (100%)			\$0														\$0
7601 HSA			\$680,498	\$23,550,099		\$72,911											\$24,303,508
767H CHIP (CHIP)			\$0	\$0		\$0											\$0
999B Misc (100%)			\$0	\$0		\$0											\$0
total			\$199,036,078	\$48,672,254	\$0	\$0											\$247,904,792
Step 3 Man Casld/Utilization Change			J90-H056	X50-H057	X50-H066	X50-H067	X51-H058	X51-H066	X52-H060	X52-H066	X55-H056	X56-H091	X58-H089	X58-H066			total
0011 GF- State		\$0	\$95,691,927	\$1,329,294	\$3,030,981	\$0	\$26,270,619	\$400,060	\$24,815,153	\$767,479		\$440,020	\$0	\$0	\$0	\$0	\$152,745,533
03CI Em Med/Tr		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0			\$0	\$0	\$0	\$0	\$0
197A T19 Assist (FMAP)		\$0	\$96,712,987	\$21,586,496	\$5,152,861	\$96,739	\$26,270,619	\$400,060	\$3,951,658	\$122,216			\$0	\$0	\$0	\$0	\$154,293,636
197B T19 Assist (100%)		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0			\$0	\$0	\$0	\$0	\$0
197D T19 Assist (90%)		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0			\$0	\$0	\$0	\$0	(\$5,747,000)
197V T19 Assist (var%a)		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$2,702,980	\$0	\$0	\$0	\$0	\$2,702,980
5417 Contr & Gmt		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0			\$0	\$0	\$0	\$0	\$0
366B Refugee/Ent (100%)		(\$545,386)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0			\$0	\$0	\$0	\$0	(\$650,819)
7601 HSA		\$0	\$666,888	\$21,359,940	\$2,219,372	\$57,308	\$0	\$0	\$0	\$0			\$2,879,995	\$411,428	\$0	\$0	\$27,594,931
767H CHIP (CHIP)		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0			\$5,391,351	\$721,292	\$0	\$0	\$6,112,643
999B Misc (100%)		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0			\$0	\$0	\$0	\$0	\$0
total		(\$545,386)	\$193,071,802	\$44,275,730	\$10,403,214	\$154,047	\$52,541,238	\$800,120	\$28,766,811	\$889,695	(\$5,747,000)	\$3,143,000	\$8,271,346	\$1,132,720	\$0	\$0	\$337,051,904

Department of Social and Health Services

**DP Code/Title: M1-94 Mandatory Workload Adjustments**

**Program Level - 080 Medical Assistance**

Budget Period: 2005-07 Version: H1 080 2005-07 Agency Req 2 YR

**Recommendation Summary Text:**

The Medical Assistance Administration (MAA) requests additional positions needed to continue meeting both customer and provider needs in an effective and timely fashion. The increased need is driven primarily by the need to maintain and improve customer and provider response time, as well as an ongoing effort to address the claims inventory backlog.

**Fiscal Detail:**

**Operating Expenditures**

	<b><u>FY 1</u></b>	<b><u>FY 2</u></b>	<b><u>Total</u></b>
<b>Program 080</b>			
001-1 General Fund - Basic Account-State	735,000	654,000	1,389,000
001-C General Fund - Basic Account-DSHS Medicaid Federa	948,000	841,000	1,789,000
<b>Total Cost</b>	<b>1,683,000</b>	<b>1,495,000</b>	<b>3,178,000</b>

**Staffing**

	<b><u>FY 1</u></b>	<b><u>FY 2</u></b>	<b><u>Annual Avg</u></b>
<b>Program 080 FTEs</b>	<b>24.0</b>	<b>24.0</b>	<b>24.0</b>

**Package Description:**

MAA has experienced a steadily increasing demand for administrative resources as a result of changes in client's scope of care relating to new state and federal requirements, billing procedures changes, the Health Insurance Portability and Accountability Act (HIPAA) issues and the ability to adjudicate claims in a timely manner. MAA will continue to spend approximately five percent of its total budget on the costs of program administration. This request reflects the estimate of additional personnel resources needed to maintain a customer-driven operation at current levels of effectiveness while ensuring timely access to appropriate medical care for nearly 970,000 Medical Assistance beneficiaries.

The first component of the increase relates to the additional staffing needs of 17.0 FTEs for the Medical Assistance Customer Service Center (MACSC) section. The first additional 7.0 FTEs will assist in the reduction of the wait times. The current staffing levels are inadequate for the needs of our customers. Using July 2004 data, the first symptom of staffing problems is that 49 percent of 30,000 provider calls and 28 percent of 58,000 client call attempts receive a message that "all agents are busy, please call back." Those not receiving that message are on hold waiting for an agent. The second indicator is that 30 percent or 3,400 provider calls, hang-up after waiting an average of eight minutes. The third signal is the average wait times is at 16 minutes for provider and nine minutes for clients. Adding seven more staff would result in a reduction in all these three areas mentioned above. Without intervention, the trend shows our incoming monthly call volume to increase from 88,000 to 100,000. The remainder 10.0 FTEs are requested to maintain and improve customer service due to increased call duration. Currently, the call duration is at eight minutes and the length of call is determined by the issues. The more complex the issues or variables to a situation, the longer it takes to explain to the customer/provider. The length of call dramatically impacts the service received by our customers, both hold time and "all agents are busy" are direct measures or indicators of the issue. Using the Call Center model, if each call took eight minutes to complete, 55 staff on the phones could respond to 200 calls per half-hour with an average hold time of 3.5 minutes. However, if the length of call increases to nine minutes, 61 staff on the phones would be needed to maintain the level of service. The current trend for call length indicates that by June 2005, each call will take an average of ten minutes. Without the additional staff, the increase in call duration will cause a radical decline in service to our customers.

The second component of this request is an additional 7.0 FTEs for the Claims Processing Section within MAA. Historically, this section has struggled to maintain the claims inventory at a manageable level within the current staffing level of 105 FTEs. Overall monthly receipts of claims have averaged 2.6 million for the past 13 months, which resulted in an increase of about 46,000 claims per-month. Increased complexities related to full HIPAA implementation are expected to add to the existing workload and will decrease the staff processing time available. It is expected that the additional FTEs will be able to manage

Department of Social and Health Services

**DP Code/Title: M1-94 Mandatory Workload Adjustments**

**Program Level - 080 Medical Assistance**

Budget Period: 2005-07 Version: H1 080 2005-07 Agency Req 2 YR

impacts associated with required HIPAA transactions and reduce re-bills from providers, which results from providers re-submitting bills when they experience a delay in the claims processing time. Additionally, we expect to reduce the average monthly claims backlog of about 190,000 to 100,000 on average, which will result in better financial monitoring as this backlog does have an impact on the reporting of our expenditures. Historically, we have had to manage increasing workload with use of overtime and have had inventory spikes of over 300,000 claims. Most months 550-650-hours of overtime are required in order to keep claims at less than 200,000. Furthermore, MAA has initiated the Right the First Time (RTFT) project to encourage efforts throughout the administration to increase the number of claims paid at initial submission. As a result of this project, changes will be implemented throughout MAA to encourage efforts to decrease the number of claims that result in a re-billing situation, claims that must be denied because of incomplete or inaccurate information, therefore, decreasing the time it takes to pay claims and reduce the over 22.5 percent denial rate.

The total request represents an increase of 24.0 FTEs in Fiscal Year 2006 and Fiscal Year 2007.

**Narrative Justification and Impact Statement**

***How contributes to strategic plan:***

The requested FTEs are required so MAA can continue effective administration of Medical Assistance programs by:

- Providing accurate and timely processing of client eligibility, provider enrollment, claims, disability determinations, contract negotiations and management and other essential program administration functions,
- Responding in a timely manner to provider and client 1-800 system inquiries and prior authorization requests,
- Continuing to improve clients' health by purchasing evidence-based health services,
- Continuing to improve financial monitoring, rate setting processes and identification of fraud and abuse, and
- Continuing to expand existing managed care, disease management, quality improvement and care coordination efforts.

These functions contribute to the agencies' goals of improving client health and self-sufficiency, improving accessibility and service integration, customer service, prevention and care, resource management, quality assurance and workforce development and diversity.

***Performance Measure Detail***

**Program: 080**

**Activity: H001 Administrative Costs**

No measures linked to package

**Incremental Changes**

**FY 1**

**FY 2**

0.00

0.00

***Reason for change:***

The requested FTEs are required so MAA can continue effective administration of Medical Assistance programs.

***Impact on clients and services:***

Approval of this request will allow MAA to meet customer needs and strategic goals in a timely and effective manner.

***Impact on other state programs:***

By being able to meet our customer needs, clients of the Mental Health Division, Economic Services Administration, Aging and Disability Services Administration, Children's Administration, Division of Alcohol and Substance Abuse and Juvenile Rehabilitation Administration will be assured access to Medicaid services.

***Relationship to capital budget:***

## Department of Social and Health Services

**DP Code/Title: M1-94 Mandatory Workload Adjustments****Program Level - 080 Medical Assistance**

Budget Period: 2005-07 Version: H1 080 2005-07 Agency Req 2 YR

None

***Required changes to existing RCW, WAC, contract, or plan:***

None

***Alternatives explored by agency:***

MAA continues to pursue operations improvements such as implementation of the Interactive Voice Response (IVR) and RTFT projects.

***Budget impacts in future biennia:***

The increase of FTEs will bow wave into the 2007-09 Biennium. Equipment costs are one-time.

***Distinction between one-time and ongoing costs:***

The equipment costs in this decision package are one-time for the 2005-07 Biennium. All other costs are ongoing.

***Effects of non-funding:***

Timely adjudication of medical claims has become a larger issue within MAA as the caseload and related claims volume in the Fee-For-Service-Based program has grown. Likewise, the number of Fee-For-Service reimbursed providers with claims and/or eligibility related issues grow with the caseload. Without the funding sought in this decision package timely responses to provider questions will become more difficult and providers' claims will take longer to process. This will increase the likelihood of providers dropping from the program.

In addition, without the additional FTEs, MAA will have a difficult task in meeting federal requirements for timely processing of medical claims, putting at risk substantial amounts of Federal Financial Participation. Further, disability determinations would not be timely and/or accurate, increasing the risk of federal sanctions. Finally, our customer processing standard in responding to client and provider inquiries, as well as enrolling clients in managed care plans would not be met. Therefore, customers would not have access to high quality health care.

***Expenditure Calculations and Assumptions:***

See attachment - MAA M1-94 Mandatory Workload Adjustments.xls

<b><u>Object Detail</u></b>		<b><u>FY 1</u></b>	<b><u>FY 2</u></b>	<b><u>Total</u></b>
<b>Program 080 Objects</b>				
A	Salaries And Wages	866,000	866,000	1,732,000
B	Employee Benefits	258,000	258,000	516,000
E	Goods And Services	279,000	279,000	558,000
G	Travel	61,000	61,000	122,000
J	Capital Outlays	196,000	8,000	204,000
T	Intra-Agency Reimbursements	23,000	23,000	46,000
<b>Total Objects</b>		<b>1,683,000</b>	<b>1,495,000</b>	<b>3,178,000</b>

Department of Social and Health Services

**DP Code/Title: M1-94 Mandatory Workload Adjustments**

**Program Level - 080 Medical Assistance**

Budget Period: 2005-07    Version: H1 080 2005-07 Agency Req 2 YR

**DSHS Source Code Detail**

		<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
<b>Program 080</b>				
<b>Fund 001-1, General Fund - Basic Account-State</b>				
<b><u>Sources Title</u></b>				
0011	General Fund State	735,000	654,000	1,389,000
<b>Total for Fund 001-1</b>		<b>735,000</b>	<b>654,000</b>	<b>1,389,000</b>
<b>Fund 001-C, General Fund - Basic Account-DSHS Medicaid Federa</b>				
<b><u>Sources Title</u></b>				
19UG	Title XIX Admin (75%)	319,500	280,500	600,000
19UL	Title XIX Admin (50%)	628,500	560,500	1,189,000
<b>Total for Fund 001-C</b>		<b>948,000</b>	<b>841,000</b>	<b>1,789,000</b>
<b>Total Program 080</b>		<b>1,683,000</b>	<b>1,495,000</b>	<b>3,178,000</b>

# 2005-07 Biennium

## M1-94 Mandatory Workload Adjustments

### M1-94 Mandatory Workload Adjustments

	OAS*		MAS1*		MAS3**		Total	
	1st Year	2nd Year	1st Year	2nd Year	1st Year	2nd Year	1st Year	2nd Year
FTE	2	2	5	5	17	17	24	24
A	55,000	55,000	155,000	155,000	656,000	656,000	866,000	866,000
B	20,000	20,000	51,000	51,000	187,000	187,000	258,000	258,000
E	23,000	23,000	58,000	58,000	198,000	198,000	279,000	279,000
J	16,000	2,000	41,000	3,000	139,000	3,000	196,000	8,000
G	0	0	0	0	61,000	61,000	61,000	61,000
TZ	2,000	2,000	5,000	5,000	16,000	16,000	23,000	23,000
Total	116,000	102,000	310,000	272,000	1,257,000	1,121,000	1,683,000	1,495,000

\* Split 75/25

\*\*Split 50/50

Total OAS & MAS1 426,000 374,000

Source of Fund		75/50		50/50 Split		Total	
		1st Year	2nd Year	1st Year	2nd Year	1st Year	2nd Year
GF-S	001-1	106,500	93,500	628,500	560,500	735,000	654,000
GF-F	19UG (75%)	319,500	280,500			319,500	280,500
	19UL (50%)			628,500	560,500	628,500	560,500
Total		426,000	374,000	1,257,000	1,121,000	1,683,000	1,495,000

Department of Social and Health Services

DP Code/Title: M2-8L Lease Rate Adjustments

Program Level - 080 Medical Assistance

Budget Period: 2005-07 Version: H1 080 2005-07 Agency Req 2 YR

**Recommendation Summary Text:**

Funding is requested for the incremental cost of lease renewals on site in the Department of Social and Health Services (DSHS) offices and client service centers statewide.

**Fiscal Detail:**

<u>Operating Expenditures</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
<b>Program 080</b>			
001-1 General Fund - Basic Account-State	41,000	116,000	157,000
001-2 General Fund - Basic Account-Federal	0	68,000	68,000
001-C General Fund - Basic Account-DSHS Medicaid Federa	46,000	130,000	176,000
<b>Total Cost</b>	<b>87,000</b>	<b>314,000</b>	<b>401,000</b>

Staffing

**Package Description:**

Most DSHS staff work in facilities leased from public or private entities. Many of these facilities house field service staff, which provide services to over 1.3 million persons each year. To accommodate clients and provide ready access to services, the department currently leases over 3.5 million square feet of office space at over 200 locations throughout the state. To the greatest extent possible, the department requires the various programs to co-locate their offices.

Leases typically run five-years or longer, and are generally renewed unless space or physical conditions require relocation. Most leases increase at the time of renewal. This request for additional funds results from mandatory lease renewals anticipated during the 2005-07 Biennium.

The Department of General Administration (GA) has indicated an across the board use of an average rate of 3 percent per-year for five-years (15 percent) to calculate for leases anticipated to expire during the 2005-07 Biennium.

**Narrative Justification and Impact Statement**

*How contributes to strategic plan:*

Funding is requested for the incremental cost of lease renewals on site in DSHS offices and client service centers statewide.

***Performance Measure Detail***

**Program: 080**

**Activity: H001 Administrative Costs**

No measures linked to package

<b>Incremental Changes</b>	
<u>FY 1</u>	<u>FY 2</u>
0.00	0.00

***Reason for change:***

Approximately 60 leases will expire during the 2005-07 Biennium. With the assistance of GA, the department negotiates the most cost-effective lease rates possible for the necessary space needed. In addition, the department is occasionally required to relocate by the landlord or from other circumstances, such as the closure of a building. In general, landlords increase lease rates at the time of renewal. The estimated percent of increases for leases that are expected to expire in the 2005-07 Biennium is 15 percent.



Department of Social and Health Services

**DP Code/Title: M2-8L Lease Rate Adjustments**

**Program Level - 080 Medical Assistance**

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Budget Period: 2005-07    Version: H1 080 2005-07 Agency Req 2 YR

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***Impact on clients and services:***

To meet the needs of the clients served by DSHS, offices are placed in locations that are safe and convenient to access. In addition, field staff who meet and visit clients in locations other than their office are located in buildings that are close to the clients they serve in order to save travel and employee time costs. Funding the lease costs will allow this practice to continue at the current level of service.

***Impact on other state programs:***

All programs within DSHS are affected. Because some DSHS offices are co-located with other state agencies, the lease expiration and renewal may effect other state programs.

***Relationship to capital budget:***

None

***Required changes to existing RCW, WAC, contract, or plan:***

None

***Alternatives explored by agency:***

In order to take advantage of lease rates that are significantly below market, DSHS signs contracts with building owners, which obligate DSHS to pay agreed-upon, and legally binding rates for specific periods. The department has no alternative to payment of lease obligations.

***Budget impacts in future biennia:***

Lease costs will continue into future biennia. A bow wave step will be necessary to carry forward funding at the Fiscal Year 2007 level. The DSHS bow wave will be approximately \$1,305,000 GF-S in Fiscal Year 2008 and \$463,000 in Fiscal Year 2009.

***Distinction between one-time and ongoing costs:***

This increase is an ongoing cost.

***Effects of non-funding:***

Leased facilities are necessary to house field staff in client-convenient locations to provide the required assistance. The department has a legal obligation to pay lease expenses. Non-funding of lease adjustments would require the department to cut other vital services to clients.

***Expenditure Calculations and Assumptions:***

DSHS has an updated lease base to reflect the monthly lease expenditures in 2003-07 and includes the leases that expire in the 2005-07 Biennium. The ML step consists of working from the Fiscal Year 2005 base and increasing the lease costs by 15 percent beginning on the lease expiration date for each individual lease that expires in Fiscal Year 2006 and Fiscal Year 2007, with the assumption for ML purposes that all leases will be renewed on site. Any exceptions made are noted.

See attachment - AW M2-8L Attachment 1.xls

State of Washington  
**Decision Package**  
**Department of Social and Health Services**

**FINAL**

**DP Code/Title: M2-8L Lease Rate Adjustments**  
**Program Level - 080 Medical Assistance**

Budget Period: 2005-07    Version: H1 080 2005-07 Agency Req 2 YR

<u>Object Detail</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Program 080 Objects			
E Goods And Services	87,000	314,000	401,000
<u>DSHS Source Code Detail</u>			
Program 080	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Fund 001-1, General Fund - Basic Account-State			
<u>Sources Title</u>			
0011 General Fund State	41,000	116,000	157,000
<i>Total for Fund 001-1</i>	<u>41,000</u>	<u>116,000</u>	<u>157,000</u>
Fund 001-2, General Fund - Basic Account-Federal			
<u>Sources Title</u>			
001B Social Security Disability Ins (100%)	0	68,000	68,000
<i>Total for Fund 001-2</i>	<u>0</u>	<u>68,000</u>	<u>68,000</u>
Fund 001-C, General Fund - Basic Account-DSHS Medicaid Federa			
<u>Sources Title</u>			
19UL Title XIX Admin (50%)	46,000	130,000	176,000
<i>Total for Fund 001-C</i>	<u>46,000</u>	<u>130,000</u>	<u>176,000</u>
<b>Total Program 080</b>	<u>87,000</u>	<u>314,000</u>	<u>401,000</u>

2005-07 Biennium  
M2-8L Lease Rate Adjustments

AW M2-8L Lease Rate Adjustments	City	Cont #	Begin	End	Cost/ SQFT	SQFT	FY04	2005 Total	2006 Total	2007 Total	Comments on Any Changes
010											
Aberdeen	514	01/01/98	03/31/03	14.01	10,326	144,636	144,636	0	144,636	0	
Arlington	728	05/01/01	04/30/11	20.38	17,581	358,258	358,258	2	712	362,532	Lease Step 5/1/06
Bellevue	632	03/01/96	02/28/06	21.70	19,506	423,245	423,245	(5)	21,164	486,732	63,492
Bellingham	565	10/10/99	09/30/04	15.50	15,840	273,141	273,141	27,621	9,207	282,348	9,207
Centralia	800	04/01/01	03/31/11	19.36	19,292	373,405	373,405	10,176	30,531	414,111	Lease Step 4/1/05
Clarkston	575	02/01/00	01/31/05	15.21	3,878	58,986	62,677	3,691	5,159	67,836	5,159
Coffax	618	11/01/96	10/31/06	14.78	3,321	49,091	49,091	1	49,092	54,004	4,912
Coffax Addl Request				14.78	3,898	57,612	57,612	0	57,612	63,372	5,760
Colville	119	02/01/00	01/31/05	15.19	5,315	80,737	85,781	5,044	7,063	92,844	7,063
Ellensburg	122	05/01/01	04/30/06	17.84	3,960	70,637	70,637	(5)	72,398	81,228	10,596
Everett	127	07/01/02	06/30/10	21.00	29,023	609,506	609,506	(2)	67,305	676,809	Lease Step 7/1/05
Forks	135	01/01/97	05/31/04	12.98	2,278	29,573	34,008	4,435	34,008	34,008	0
Friday Harbor	398	03/01/01	02/28/06	22.84	1,230	28,099	28,104	5	29,508	32,316	4,212
Goldendale	454	12/01/01	11/30/06	15.45	1,998	30,866	30,864	(2)	30,864	33,566	2,702
Kelso	563	11/01/00	12/31/15	14.93	14,188	211,796	216,850	5,054	5,050	221,900	Lease Step 1/1/05
Kent	450	12/01/01	11/30/06	20.05	35,379	709,344	709,344	1	709,344	771,413	62,069
Lacey - Martin Way	Unkn	09/01/04	unkn	15.58	15,087	235,016	235,020	4	235,020	235,020	0
Long Beach	854	12/31/00	11/30/10	18.96	3,824	72,520	72,516	(4)	72,516	72,516	0
Lynnwood	643	07/01/99	06/30/09	20.73	14,637	303,408	303,408	0	303,408	303,408	0
Monroe	861	05/01/03	04/30/13	24.77	9,566	236,910	236,916	6	236,916	236,916	0
Moses Lake	154	08/01/95	07/31/05	13.80	7,466	103,043	103,044	1	117,212	118,500	15,456
Mount Vernon	855	01/01/98	11/30/07	15.69	15,041	235,987	235,992	5	235,992	235,992	0
Newport	603	09/01/95	08/31/05	16.76	2,093	35,086	35,088	2	39,478	40,356	5,268
Newport Addl Request				16.76	2,812	47,129	47,124	(5)	53,014	54,192	7,068
Oak Harbor	487	05/01/93	04/30/08	17.93	6,105	109,489	109,488	(1)	109,488	109,488	0
Omak	385	05/01/01	04/30/06	16.76	4,879	81,750	81,756	6	83,900	94,020	12,264
Port Angeles	693	09/01/99	08/31/04	20.56	12,837	263,962	266,964	33,002	303,564	303,564	6,600
Port Townsend	181	10/01/98	03/31/04	17.19	2,592	44,556	44,556	(0)	44,556	44,556	0
Republic	642	08/01/03	07/31/08	16.33	484	7,904	7,908	4	7,908	7,908	0
Richland	729	12/01/98	11/30/08	15.48	15,938	246,720	246,720	0	246,720	246,720	0
Seattle	403	03/01/02	02/28/07	19.05	15,496	295,197	295,200	3	295,200	309,960	14,760
Seattle	610	06/01/98	09/30/05	18.18	3,750	68,192	68,196	4	75,864	78,420	10,224
Seattle	610	06/01/98	09/30/05	18.18	9,277	168,685	168,684	(1)	187,665	193,992	25,308
Seattle Space Addit	610	08/01/04	09/30/05	20.00	20,949	418,979	418,979	0	508,485	525,624	106,645
Seattle	201	03/03/03	06/30/04	20.00	41,320	826,407	826,404	0	826,404	826,404	0
Graham St Lease	918	07/01/04	06/30/14	20.00	44,310	1,183,368	1,183,368	(3)	826,404	826,404	0
Seattle	637	09/01/97	09/30/07	17.82	9,138	162,857	162,852	(5)	162,852	162,852	0
Shelton	666	10/01/99	10/31/09	17.14	4,316	73,975	76,998	3,023	78,506	78,506	1,509
South Bend	654	10/01/03	09/30/08	18.53	59,121	1,095,587	1,095,588	1	1,095,588	1,095,588	0
Spokane	617	05/01/97	04/30/12	16.16	3,035	49,045	49,044	(1)	49,044	49,044	0
Stevenson	616	08/01/02	07/31/07	13.98	5,581	78,021	78,024	3	78,024	78,024	0
Sunnyside	233	02/01/87	01/31/13	20.61	58,877	1,213,239	1,249,632	36,393	1,287,120	1,287,120	37,488
Tacoma	532	06/01/93	05/31/13	27.48	7,963	218,787	218,784	(3)	218,784	218,784	0
Tacoma	912	09/01/02	08/31/07	6.80	4,320	29,358	29,364	6	29,364	29,364	0
Toppenish	798	01/01/00	12/31/09	17.10	10,164	173,818	173,820	2	173,820	173,820	0
Turnwater	851	01/01/02	12/31/11	20.13	37,758	760,002	760,008	6	760,008	760,008	0
Vancouver	260	08/01/03	07/31/13	18.69	33,034	617,412	617,412	0	617,412	617,412	0
Walla Walla	274	01/01/04	12/31/08	14.58	10,702	156,048	156,048	(0)	156,048	156,048	0

2005-07 Biennium  
M2-8L Lease Rate Adjustments

AW M2-8L Lease Rate Adjustments	City	Cont #	Begin	End	Cost/ SQFT	SQFT	FY04	2005 Total	2006 Total	2007 Total	Comments on Any Changes	
Wenatchee	277	11/01/03	10/31/08	17.19	9,934	170,766	170,772	6	170,772	0	170,772	0 Changed to reflect lease value
White Salmon	278	01/01/03	12/31/08	14.03	1,291	18,109	18,108	(1)	18,108	0	18,108	0
Yakima	282	05/27/99	06/30/19	13.99	25,461	356,100	366,780	10,680	377,784	11,004	389,112	22,332 Lease Step 7/1/04, 7/1/05 & 7/1/06
Yakima	731	01/01/04	12/31/08	16.19	7,959	128,856	128,856	(0)	128,856	0	128,856	0 Changed to reflect lease value
Month Total				19.01	724,130	13,767,605	13,906,747	139,141	14,255,355	348,609	14,479,578	572,831
Increase/Annual Total					Fastrack:	13,182,395			Rounded:	349,000		573,000
020												
Bremerton	765	03/01/04	02/28/09	16.01	2,300	36,814	36,816	2	36,816	0	36,816	0
Everett	132	05/01/99	06/30/04	16.39	18,000	294,944	339,192	44,248	339,192	0	339,192	0
Kelso	563	11/01/00	12/31/15	14.93	2,240	33,441	34,240	799	35,037	796	35,037	796 Lease Step 1/1/05
Mount Vernon	655	01/01/98	11/30/07	15.69	1,724	27,056	27,060	4	27,060	0	27,060	0
Olympia	622	01/01/04	12/31/08	18.72	7,614	142,562	142,560	(2)	142,560	0	142,560	0 Combined OJJ and Region 6
Seattle	505	11/01/02	10/31/12	25.04	22,213	556,119	556,116	(3)	556,116	0	556,116	0
Spokane	801	09/01/00	08/30/10	16.74	6,226	104,219	104,218	(1)	113,705	9,487	115,602	11,385 Lease Step 9/1/05
Tacoma	532	06/01/93	05/31/13	27.48	9,088	249,703	249,708	5	249,708	0	249,708	0
Vancouver	775	09/01/00	08/31/05	19.86	2,854	56,685	56,688	3	63,778	7,090	65,196	8,508
Wenatchee	277	11/01/03	10/31/08	17.18	284	4,879	4,884	5	4,884	0	4,884	0
Yakima	283	11/01/03	10/31/04	11.29	14,280	161,221	177,340	16,119	185,400	8,060	185,400	0 Changed to reflect lease value
Month Total				19.21	86,823	1,667,643	1,728,822	61,179	1,754,256	25,434	1,757,571	28,749
Increase/Annual Total					Fastrack:	1,671,517			Rounded:	25,000		29,000
030												
Seattle (SCTF)	929	11/01/03	10/31/13	12.18	14,960	182,162	149,400	(32,762)	149,400	0	149,400	0
Stellacoom	890	09/01/03	08/31/05	18.54	4,000	74,160	74,160	0	83,430	9,270	85,284	11,124
Total					18,960	256,322	223,560	(32,762)	232,830	9,270	234,684	11,124
Increase/Annual Total					Fastrack:	189,286			Rounded:	9,000		11,000
040												
From 040 Tab				16.91	143,888	2,432,780	2,492,844	60,064	2,553,397	60,552	2,623,639	130,795
Total					Fastrack:	2,274,901			Rounded:	61,000		131,000
Increase/Annual Total												
050												
Aberdeen	680	12/01/02	11/30/07	13.81	5,121	70,721	70,716	(5)	70,716	0	70,716	0
Arlington	728	05/01/01	04/30/11	20.38	6,907	140,744	140,748	4	141,027	279	142,423	1,675 Lease Step 5/1/06
Arlington	728	05/01/01	04/30/11	20.38	6,279	127,944	127,944	(5)	128,199	255	129,476	1,532 Lease Step 5/1/06
Bellingham	723	03/01/03	02/29/08	16.95	6,778	114,887	114,888	1	114,888	0	114,888	0
Bremerton	430	06/01/91	05/31/09	18.86	5,791	109,221	109,224	3	109,224	0	109,224	0
Chehalis	799	11/01/03	10/31/05	11.50	3,602	41,424	41,424	0	45,568	4,144	47,640	6,216
Clarkston	575	02/01/00	01/31/05	15.21	1,406	21,388	22,719	1,331	24,588	1,869	24,588	1,869
Colfax	618	11/01/96	10/31/06	14.79	578	8,548	8,544	(4)	8,544	0	9,400	856
Colville	119	02/01/00	01/31/05	15.19	2,372	36,034	38,286	2,252	41,436	3,150	41,436	3,150
Ellensburg	122	05/01/01	04/30/06	17.84	602	10,737	10,737	3	11,008	268	12,348	1,608
Everett	127	07/01/02	06/30/10	21.00	6,521	136,946	136,944	(2)	152,068	15,124	152,068	15,124 Lease Step 7/1/05
Friday Harbor	398	03/01/01	02/28/06	22.83	362	8,264	8,268	4	8,680	412	9,504	1,236

2005-07 Biennium  
M2-8L Lease Rate Adjustments

AW M2-8L Lease Rate Adjustments	City	Count #	Begin	End	Cost/ SQFT	SQFT	FY04	2005 Total	2006 Total	2007 Total	Comments on Any Changes
Goldendale		454	12/01/01	11/30/06	15.49	123	1,905	1,908	0	2,076	168
Grandview ( West )		627	07/01/97	06/30/07	16.22	506	8,208	8,208	0	8,208	0
Kelso		563	11/01/00	12/31/15	14.93	560	8,360	8,759	198	8,759	198 Lease Step 1/1/05
Kelso		563	11/01/00	12/31/15	14.92	2,194	32,745	33,527	782	34,307	779 Lease Step 1/1/05
Lacey-hqt		651	05/01/00	04/01/10	16.92	57,059	965,549	965,544	2,747	968,291	2,747 Lease Step 7/1/05
Lacey-hqt		651	05/01/00	04/01/10	16.92	4,032	68,229	68,232	191	68,423	191 Lease Step 7/1/05
Long Beach		854	12/31/00	11/30/10	18.99	267	5,069	5,064	0	5,064	0
Lynnwood		485	12/01/02	11/30/07	19.08	3,824	72,956	72,960	0	72,960	0
Lynnwood		485	12/01/02	11/30/07	19.08	3,129	59,692	59,688	0	59,688	0
Monroe		516	07/01/98	06/30/08	21.01	984	20,677	20,676	0	20,676	0
Moses Lake		154	08/01/95	07/31/05	13.79	785	10,828	10,824	1,485	12,444	1,620
Mount Vernon		655	01/01/98	11/30/07	15.69	5,461	85,677	85,680	0	85,680	0
Newport		603	09/01/95	08/31/05	16.77	310	5,198	5,196	650	5,976	780
Oak Harbor		566	08/01/01	07/31/06	16.36	722	11,811	11,808	0	13,436	1,628
Omak		385	05/01/01	04/30/06	16.75	1,361	22,799	22,800	570	26,220	3,420
Pasco		175	10/01/98	11/30/04	14.15	174	2,462	2,677	155	2,832	155
Pasco		175	10/01/98	11/30/04	14.14	2,613	36,936	40,170	2,310	42,480	2,310
Port Angeles		613	06/01/96	05/31/05	19.62	211	4,140	4,192	572	4,764	572
Port Angeles		613	06/01/96	05/31/05	19.62	5,065	99,357	100,602	13,662	114,264	13,662
Port Townsend		181	10/01/98	03/31/04	17.19	80	1,375	1,584	0	1,584	0
Port Townsend		864	08/01/02	05/31/06	14.67	592	8,684	8,688	109	9,996	1,308
Republic		642	08/01/03	07/31/08	14.95	484	7,234	7,236	0	7,236	0
Seattle		348	08/01/99	07/31/09	17.79	12,725	226,411	242,537	1,466	244,003	1,466 Lease Step 8/1/04
Seattle		348	08/01/99	07/31/09	17.79	39,281	698,921	748,700	4,526	753,226	4,526 Lease Step 8/1/04
Shelton		637	09/01/97	09/30/07	17.82	391	6,969	6,972	0	6,972	0
South Bend		666	11/01/99	10/31/09	17.13	703	12,042	12,536	244	12,780	244 Lease Step 11/1/04
Spokane		290	04/01/04	03/31/09	16.00	17,874	285,984	285,984	0	285,984	0
Spokane		387	09/01/00	08/31/05	16.50	8,538	140,877	140,880	0	158,490	17,610
Stevenson		617	05/01/97	04/30/12	16.15	253	4,087	4,092	0	4,092	0
Sunnyside		688	05/01/98	04/30/08	12.69	1,554	19,717	19,716	0	19,716	0
Tacoma		233	02/01/87	01/31/13	20.60	306	6,303	6,492	192	6,684	192 Lease Step 7/1/04 & 7/1/05
Tacoma		233	02/01/87	01/31/13	20.61	3,670	75,631	77,904	2,340	80,244	2,340 Lease Step 7/1/04 & 7/1/05
Tacoma		233	02/01/87	01/31/13	20.61	19,116	393,909	405,732	12,168	417,900	12,168 Lease Step 7/1/04 & 7/1/05
Tacoma		752	02/01/00	01/31/05	18.72	7,374	138,075	146,702	12,082	158,784	12,082
Turnwater-hqt		701	03/01/99	02/28/09	18.54	12,496	231,676	231,672	0	231,672	0
Vancouver		696	07/01/03	06/30/08	15.30	3,609	55,216	55,212	0	55,212	0
Vancouver		696	07/01/03	06/30/08	15.30	8,341	127,619	127,620	0	127,620	0
Walla Walla		274	01/01/04	12/31/08	7.25	3,018	21,887	21,888	0	21,888	0
Wapato		523	09/01/03	08/31/08	12.41	2,392	29,680	29,676	0	29,676	0
Wenatchee		913	07/01/03	06/30/08	15.56	378	5,880	5,880	0	5,880	0
Wenatchee		913	07/01/03	06/30/08	15.56	3,402	52,920	52,920	0	52,920	0
White Salmon		278	01/01/03	12/31/08	14.02	525	7,359	7,356	0	7,356	0
Yakima		282	05/27/99	06/30/19	13.54	99	1,340	1,416	36	1,464	84 Lease Step 7/1/04, 7/1/05 & 7/1/06
Yakima		282	05/27/99	06/30/19	13.54	7,920	107,217	113,748	3,312	117,156	6,720 Lease Step 7/1/04, 7/1/05 & 7/1/06
Yakima		835	01/01/00	12/31/04	15.94	4,973	79,273	85,218	5,946	91,164	5,946
Total					17.23	295,793	5,095,747	5,203,776	91,241	5,329,958	126,182
Increase/Annual Total						Fastrack:	5,098,636	5,203,776	91,000	5,329,958	126,000

2005-07 Biennium  
M2-8L Lease Rate Adjustments

AW M2-8L Lease Rate Adjustments	City	Cont #	Begin	End	Cost/ SQFT	SQFT	FY04	2005 Total	2006 Total	2007 Total	Comments on Any Changes
Aberdeen	101	01/01/98	03/31/03	14.01	15,510	217,249	217,248	(1)	217,248	0	0 Add
Aberdeen	514	01/01/98	03/31/03	14.01	4,643	65,040	65,040	0	65,040	0	0 Add
Arlington	495	02/01/03	01/31/08	18.68	18,836	351,856	351,852	(4)	351,852	0	0
Arlington	728	05/01/01	04/30/11	20.37	314	6,397	6,396	(1)	6,409	13	78 Lease Step 5/1/06
Arlington	728	05/01/01	04/30/11	20.37	314	6,397	6,396	(1)	6,409	13	78 Lease Step 5/1/06
Arlington	848	08/01/00	07/31/10	20.99	12,102	254,029	254,028	(1)	267,890	13,862	15,122 Lease Step 8/1/05
Bellevue	632	03/01/96	02/28/06	21.70	26,885	583,362	583,368	6	612,536	29,168	87,504
Bellevue	632	03/01/96	02/28/06	21.70	2,270	49,267	49,272	5	51,736	2,464	7,392
Bellingham	106	07/01/03	06/30/13	18.81	1,293	24,324	24,324	0	24,324	0	0
Bellingham	106	07/01/03	06/30/13	18.81	22,923	431,196	431,196	(5)	431,196	0	0
Bellingham	106	07/01/03	06/30/13	18.81	1,411	26,535	26,532	(3)	26,532	0	0
Bremerton	430	06/01/91	05/31/09	18.87	606	11,437	11,436	(1)	11,436	0	0
Bremerton	430	06/01/91	05/31/09	18.86	23,922	451,178	451,176	(2)	451,176	0	0
Burien	111	11/01/93	07/01/04	15.58	30,255	536,160	536,160	64,812	542,052	5,892	5,892
Due to Leaseholdover Landlord is Charging Double Rent. Lease rate is expected to decrease in Jan 05											
Chehalis	921	07/01/98	12/31/04	28.00	12,650	354,200	277,276	(76,924)	200,349	(76,928)	(76,928)
Clarkston	575	02/01/00	01/31/05	15.21	8,066	122,700	130,370	7,670	141,108	10,738	10,738
Colfax	618	11/01/96	10/31/06	14.78	4,164	61,547	61,548	1	61,548	0	6,152
Colville	119	02/01/00	01/31/05	15.19	9,560	145,218	154,299	9,081	167,004	12,705	12,705
Davenport	120	12/01/99	11/30/04	10.82	2,919	34,374	34,337	2,763	36,312	1,975	1,975
Ellensburg	122	05/01/01	04/30/06	17.84	4,995	89,097	89,100	3	89,100	0	102,468
Everett	127	07/01/02	06/30/10	21.00	4,317	90,654	90,660	6	100,665	10,005	10,005
Everett	127	07/01/02	06/30/10	21.00	31,227	655,798	655,800	2	728,213	72,413	72,413
Everett	127	07/01/02	06/30/10	21.00	3,123	65,580	65,580	0	72,821	7,241	7,241
Everett	449	11/01/01	11/30/06	18.20	47,662	867,468	867,468	6	943,369	0	943,369
Federal Way	756	10/01/00	09/30/10	23.92	22,590	540,377	540,372	(5)	540,372	0	540,372
Fife	884	10/01/01	09/30/11	22.47	27,856	625,996	625,992	(4)	625,992	0	631,579
Forks	135	01/01/97	05/31/04	13.04	5,048	65,838	75,720	9,882	75,720	0	75,720
Friday Harbor	398	03/01/01	02/28/06	22.83	364	8,309	8,304	(5)	8,720	416	9,552
Goldendale	454	12/01/01	11/30/06	15.45	4,045	62,494	62,496	2	62,496	0	67,963
Grandview ( West )	627	07/01/97	06/30/07	16.22	1,090	17,678	17,676	(2)	17,676	0	17,676
Grandview ( West )	627	07/01/97	06/30/07	16.22	11,278	182,888	182,892	4	182,892	0	182,892
Kelso	563	11/01/00	12/31/15	14.93	25,249	376,913	385,901	8,988	394,895	8,993	394,895
Kelso	563	11/01/00	12/31/15	14.93	560	8,360	8,562	202	8,759	198	8,993
Kennewick	548	12/01/03	11/30/08	15.19	392	5,956	5,952	(4)	5,952	0	5,952
Kennewick	548	12/01/03	11/30/08	15.19	21,060	319,904	319,908	4	319,908	0	319,908
Kennewick	548	12/01/03	11/30/08	15.19	1,407	21,374	21,372	(2)	21,372	0	21,372
Kennewick	764	10/01/99	09/30/04	15.61	15,606	243,627	271,029	27,402	280,164	9,135	9,135
Kent	148	12/01/00	11/30/04	27.86	25,200	701,953	763,370	61,417	807,240	43,870	43,870
Kent	450	12/01/01	11/30/06	20.05	1,628	32,648	32,652	4	32,652	0	35,508
Lacey-hqt	455	03/01/02	01/01/07	17.52	46,455	813,969	813,972	3	813,972	0	864,847
Lacey-hqt	455	03/01/02	01/01/07	17.52	6,210	108,808	108,804	(4)	108,804	0	115,604
Lacey-hqt	455	03/01/02	01/01/07	17.52	6,508	114,039	114,036	(3)	114,036	0	121,161
Long Beach	854	12/31/00	11/30/10	18.96	6,004	113,848	113,844	(4)	113,844	0	113,844
Lynnwood	643	07/01/99	06/30/09	20.72	610	12,642	12,648	6	12,648	0	12,648
Lynnwood	643	07/01/99	06/30/09	20.73	28,148	583,477	583,476	(1)	583,476	0	583,476
Lynnwood	814	02/01/00	01/31/05	22.42	12,867	288,421	306,445	18,024	331,680	25,235	25,235
Marysville	891	08/01/01	07/31/06	12.20	3,016	36,797	36,792	(5)	36,792	0	41,852
Mattawa	853	03/01/02	02/28/07	15.44	1,268	19,577	19,572	(5)	19,572	0	20,552

2005-07 Biennium  
M2-8L Lease Rate Adjustments

AW M2-8L Lease Rate Adjustments	City	Cont #	Begin	End	Cost/ SQFT	SQFT	FY04	2005 Total	2006 Total	2007 Total	Comments on Any Changes		
Monroe		516	07/01/98	06/30/08	21.02	16,871	354,629	354,624	(5)	354,624	0	354,624	0
Moses Lake		154	08/01/95	07/31/05	13.80	15,184	209,579	209,580	1	238,400	28,820	241,440	31,440
Moses Lake		154	08/01/95	07/31/05	13.83	202	2,794	2,796	2	3,181	385	3,216	420
Mount Vernon		655	01/01/98	11/30/07	15.69	19,064	299,117	299,112	(5)	299,112	0	299,112	0
Mount Vernon		655	01/01/98	11/30/07	15.69	1,581	24,801	24,804	3	24,804	0	24,804	0
Newport		603	09/01/95	08/31/05	16.76	5,194	87,066	87,072	6	97,952	10,880	100,128	13,056
Oak Harbor		566	08/01/01	07/31/06	16.35	7,571	123,775	123,780	5	123,780	0	140,797	17,017
Olympia		470	05/01/02	04/30/07	15.61	27,000	421,440	421,440	0	421,440	0	431,976	10,536
Olympia-hqt		294	06/01/99	05/31/09	18.22	70,000	1,275,252	1,275,252	0	1,275,252	0	1,275,252	0
Olympia-hqt		602	07/01/00	06/30/05	19.00	27,297	518,751	518,748	(3)	518,748	0	596,556	77,808
Omak		385	05/01/01	04/30/06	16.75	12,422	208,120	208,116	(4)	213,318	5,202	239,328	31,212
Omak		385	05/01/01	04/30/06	16.79	194	3,257	3,252	(5)	3,334	82	3,744	492
Othello		558	05/01/01	04/30/06	14.18	3,645	51,688	51,684	(4)	52,976	1,292	59,436	7,752
Pasco		175	10/01/98	11/30/04	14.14	17,050	241,004	262,099	21,095	277,164	15,065	277,164	15,065
Pasco		175	10/01/98	11/30/04	14.14	1,807	25,547	27,781	2,234	29,376	1,595	29,376	1,595
Port Angeles		693	09/01/99	08/31/04	20.56	14,567	299,540	376,984	37,444	344,472	7,488	344,472	7,488
Port Angeles		693	09/01/99	08/31/04	20.58	502	10,329	11,622	1,293	11,880	258	11,880	258
Port Townsend		864	08/01/02	05/31/06	17.19	5,248	90,213	103,752	13,539	103,752	0	103,752	0
Port Townsend		864	08/01/02	05/31/06	14.67	6,505	95,398	95,400	2	96,593	1,193	109,716	14,316
Puyallup		183	01/01/98	03/31/05	19.19	18,750	359,790	373,287	13,497	413,760	40,473	413,760	40,473
Renton		722	06/01/99	05/31/09	23.23	18,431	428,152	428,148	(4)	428,148	0	428,148	0
Republic		642	08/01/03	07/31/08	16.31	1,935	31,564	31,560	(4)	31,560	0	31,560	0
Seattle		192	10/01/03	09/30/06	20.23	18,750	379,313	379,308	(5)	379,308	0	421,977	42,669
Seattle		194	05/01/97	04/30/07	18.36	40,530	744,242	744,240	(2)	744,240	0	762,846	18,606
Seattle		195	03/01/03	02/29/08	25.40	16,955	430,657	430,656	(1)	430,656	0	430,656	0
Seattle		201	03/03/03	06/30/04	14.19	2,498	35,440	40,752	5,312	40,752	0	40,752	0
Seattle		202	12/01/98	04/30/14	19.20	2,941	56,459	56,460	1	56,460	0	56,460	0
Seattle		202	12/01/98	04/30/14	19.21	610	11,718	11,724	6	11,724	0	11,724	0
Seattle		202	12/01/98	04/30/14	19.20	17,646	338,753	338,748	(5)	338,748	0	338,748	0
Seattle		202	12/01/98	04/30/14	19.20	1,498	28,762	28,764	2	28,764	0	28,764	0
Seattle		348	08/01/99	07/31/09	17.79	3,320	59,064	63,270	4,206	63,653	382	63,653	382
Seattle		394	12/01/00	11/30/05	26.76	13,672	365,800	365,796	(4)	397,800	32,004	420,660	54,864
Seattle		402	02/01/04	08/31/04	25.06	24,925	624,639	702,716	78,077	718,332	15,616	718,332	15,616
Seattle		403	03/01/02	02/28/07	19.05	66,061	1,258,471	1,258,476	5	1,258,476	0	1,321,400	62,924
Seattle		610	06/01/98	09/30/05	18.18	26,448	480,933	480,936	3	535,044	54,108	553,080	72,144
Shelton		637	09/01/97	09/30/07	17.82	9,920	176,795	176,796	1	176,796	0	176,796	0
South Bend		666	11/01/99	10/31/09	17.14	4,015	68,814	71,626	2,812	73,029	1,403	73,029	1,403
Spokane		326	08/01/99	07/31/04	13.95	31,069	433,413	493,014	59,601	498,432	5,418	498,432	5,418
Spokane		379	07/01/00	06/30/05	14.25	1,468	20,917	20,916	(1)	20,916	0	24,048	3,132
Spokane		443	10/01/01	09/30/06	16.88	35,000	590,697	590,700	3	590,700	0	657,156	66,456
Spokane		468	05/01/03	04/30/08	16.10	28,209	454,165	454,164	(1)	454,164	0	454,164	0
Spokane		654	10/01/03	09/30/08	18.50	3,917	72,463	72,468	5	72,468	0	72,468	0
Spokane		801	09/01/00	08/30/10	16.74	7,965	133,339	133,344	5	145,477	12,133	147,903	14,559
Spokane		801	09/01/00	08/30/10	16.74	31,586	528,758	528,756	(2)	576,886	48,130	586,512	57,756
Spokane		978	10/01/03	09/30/08	8.14	4,365	35,510	35,508	(2)	35,508	0	35,508	0
Stevenson		617	05/01/97	04/30/12	16.16	2,782	44,958	44,964	6	44,964	0	44,964	0
Sunnyside		688	05/01/98	04/30/08	12.69	17,071	216,637	216,636	(1)	216,636	0	216,636	0
Sunnyside		688	05/01/98	04/30/08	12.69	1,195	15,167	15,168	1	15,168	0	15,168	0
Tacoma		233	02/01/87	01/31/13	20.61	27,985	576,683	593,988	17,305	611,808	17,820	611,808	17,820
Tacoma		233	02/01/87	01/31/13	20.61	31,197	642,859	662,148	19,289	682,008	19,860	682,008	19,860

2005-07 Biennium  
M2-8L Lease Rate Adjustments

AW M2-8L Lease Rate Adjustments	City	Cont #	Begin	End	Cost/ SQFT	SQFT	FY04	2005 Total	2006 Total	2007 Total	Comments on Any Changes			
Tacoma	233	02/01/87	01/31/13	20.61	3,517	72,479	74,652	2,173	76,896	2,244	76,896	2,244	Lease Step 7/1/04 & 7/1/05	
Tacoma	532	06/01/93	05/31/13	27.48	44,227	1,215,219	1,215,216	(3)	1,215,216	0	1,215,216	0		
Tacoma	532	06/01/93	05/31/13	27.48	2,856	78,478	78,480	2	78,480	0	78,480	0		
Tacoma	532	06/01/93	05/31/13	27.48	19,647	539,833	539,832	(1)	539,832	0	539,832	0		
Tacoma	562	08/01/02	07/30/12	18.69	30,000	560,700	628,200	67,500	650,700	22,500	650,700	22,500	Lease Step 10/1/04	
Turnwater	851	01/01/02	12/31/11	20.13	30,109	606,024	606,024	0	606,024	0	626,423	20,399	Lease Step 1/1/07	
Turnwater	851	01/01/02	12/31/11	20.13	1,123	22,602	22,608	6	22,608	0	23,366	758	Lease Step 1/1/07	
Turnwater	851	01/01/02	12/31/11	20.13	1,193	24,015	24,012	(3)	24,012	0	24,822	810	Lease Step 1/1/07	
Vancouver	260	08/01/03	07/31/13	16.89	1,739	32,495	32,496	1	32,496	0	32,496	0	Changed to reflect lease value	
Vancouver	570	08/01/01	07/31/11	16.98	33,983	577,031	577,032	1	577,032	0	608,183	31,151	Lease Step 8/1/06	
Vancouver	889	04/01/02	04/30/12	20.94	34,688	726,528	726,528	0	726,528	0	723,910	(2,618)	Lease Adjustment 5/1/07	
Walla Walla	486	04/01/04	03/31/09	14.59	15,070	219,817	219,816	(1)	219,816	0	219,816	0	Changed to reflect lease value	
Wapato	523	09/01/03	08/31/08	14.94	16,105	240,605	240,600	(5)	240,600	0	240,600	0	Changed to reflect lease value	
Wenatchee	277	11/01/03	10/31/08	17.19	15,611	268,347	268,344	(3)	268,344	0	268,344	0		
Wenatchee	277	11/01/03	10/31/08	17.19	1,703	29,274	29,280	6	29,280	0	29,280	0	Changed to reflect lease value	
Wenatchee	615	09/01/96	08/31/06	16.12	12,870	207,464	207,468	4	207,468	0	233,398	25,930		
White Salmon	278	01/01/03	12/31/08	14.03	2,550	35,770	35,772	2	35,772	0	35,772	0		
Yakima	282	05/27/99	06/30/19	13.54	15,246	206,392	212,580	6,188	218,952	6,372	225,516	12,936	Lease Step 7/1/04, 7/1/05 & 7/1/06	
Yakima	282	05/27/99	06/30/19	13.54	1,782	24,124	24,840	716	25,584	744	26,352	1,512	Lease Step 7/1/04, 7/1/05 & 7/1/06	
Yakima	282	05/27/99	06/30/19	13.54	8,712	117,938	121,476	3,538	125,124	3,648	128,880	7,404	Lease Step 7/1/04, 7/1/05 & 7/1/06	
Yakima	282	05/27/99	06/30/19	13.54	1,980	26,804	27,612	808	28,440	828	29,292	1,680	Lease Step 7/1/04, 7/1/05 & 7/1/06	
Yakima	282	05/27/99	06/30/19	13.54	13,860	187,629	193,260	5,631	199,056	5,796	205,032	11,772	Lease Step 7/1/04, 7/1/05 & 7/1/06	
Yakima	282	05/27/99	06/30/19	13.54	19,998	270,722	278,844	8,122	287,208	8,364	295,824	16,980	Lease Step 7/1/04, 7/1/05 & 7/1/06	
Yakima	282	05/27/99	06/30/19	13.54	891	12,062	12,420	358	12,792	372	13,176	756	Lease Step 7/1/04, 7/1/05 & 7/1/06	
Total				18.71	1,658,504	31,028,927	31,532,977	504,050	32,080,860	547,883	32,832,793	1,299,817		
Increase/Annual Total					Fastrack:	32,097,784			Rounded:	548,000	Rounded:	1,300,000		
070	Arlington	848	08/01/00	07/31/10	21.00	896	18,817	18,816	(1)	19,844	1,028	19,937	1,121	Lease Step 8/1/05
Lacey-hqt	460	03/01/02	02/28/07	16.19	23,926	387,356	387,360	4	387,360	0	406,728	19,368		
Spokane	839	04/01/00	03/31/05	14.36	773	11,100	11,517	417	12,768	1,251	12,768	1,251		
Tacoma	532	06/01/93	05/31/13	27.44	260	7,134	7,140	6	7,140	0	7,140	0		
Yakima	282	05/27/99	06/30/19	13.54	396	5,361	5,520	159	5,688	168	5,856	336	Lease Step 7/1/04, 7/1/05 & 7/1/06	
Total				16.37	26,251	429,768	430,353	585	432,800	2,447	452,429	22,076		
Increase/Annual Total					Fastrack:	335,762			Rounded:	2,000	Rounded:	22,000		
080	Lacey-hqt	892	09/01/01	08/31/06	16.84	20,644	347,583	347,580	(3)	347,580	0	391,030	43,450	
Monroe	516	07/01/98	06/30/08	21.03	705	14,825	14,820	(5)	14,820	0	14,820	0		
Mount Vernon	655	01/01/98	11/30/07	15.69	1,437	22,547	22,548	1	22,548	0	22,548	0		
Olympia-hqt	164	01/01/96	12/31/05	14.51	80,100	1,162,209	1,162,212	3	1,249,380	87,168	1,336,548	174,336		
Olympia-hqt	515	07/01/02	06/30/07	17.09	25,304	432,445	432,444	(1)	432,444	0	432,444	0		
Olympia-hqt	600	04/01/02	03/31/07	16.01	33,688	539,345	539,340	(5)	539,340	0	559,566	20,226		
Olympia-hqt	682	04/01/02	03/31/07	16.01	9,403	150,542	150,540	(2)	150,540	0	156,186	5,646		
Seattle	904	12/01/01	06/30/11	29.58	17,972	531,612	531,612	0	531,612	0	601,343	69,731	Lease Step 7/1/06	
Spokane	726	10/01/02	09/30/07	18.50	15,962	295,297	295,296	(1)	295,296	0	295,296	0		
Tacoma	532	06/01/93	05/31/13	27.49	173	4,756	4,752	(4)	4,752	0	4,752	0		
Turnwater-hqt	701	03/01/99	02/28/09	14.95	37,488	560,446	612,924	52,478	612,924	0	612,924	0		



2005-07 Biennium  
M2-8L Lease Rate Adjustments

AW M2-8L Lease Rate Adjustments Prog City	Count #	Begin	End	Cost/ SQFT	SQFT	FY04	2005 Total	2006 Total	2007 Total	Comments on Any Changes
Yakima	282	05/27/99	06/30/19	13.54	198	2,680	2,760	2,844	2,928	Lease Step 7/1/04, 7/1/05 & 7/1/06
Total				16.72	243,074	4,064,287	4,116,828	4,204,080	4,300,385	
Increase/Annual Total					Fastrack:	4,615,765		Rounded:	Rounded:	
								87,252	84	313,557
								87,000		314,000
100										
Aberdeen	514	01/01/98	03/31/03	14.01	1,126	15,775	15,780	15,780	15,780	
Arlington	848	08/01/00	07/31/10	20.99	1,942	40,770	40,776	42,995	43,197	Lease Step 8/1/05
Bellevue	632	03/01/96	02/28/06	21.70	2,341	63,823	63,828	67,020	73,404	
Bellingham	106	07/01/03	06/30/13	18.81	3,527	66,339	66,336	66,336	66,336	
Bremerton	678	09/01/99	08/31/04	15.25	6,500	99,125	111,510	113,988	113,988	
Centralia	689	06/01/03	05/31/08	15.00	2,377	35,651	35,652	35,652	35,652	
Clarkston	575	02/01/00	01/31/05	15.20	459	6,979	7,419	8,028	8,028	
Colville	685	04/01/03	03/31/08	15.83	1,339	21,196	21,192	21,192	21,192	
Ellensburg	122	05/01/01	04/30/06	17.85	401	7,158	7,164	7,344	8,244	
Everett	127	07/01/02	06/30/10	21.00	6,888	144,661	144,660	160,635	160,635	Lease Step 7/1/05
Grandview ( West )	627	07/01/97	06/30/07	16.19	104	1,684	1,680	1,680	1,680	
Kelso	563	11/01/00	12/31/15	14.93	840	12,541	12,839	13,139	13,139	
Kennewick	724	10/01/99	09/30/04	14.64	4,437	64,958	72,264	74,700	74,700	
Kent	831	06/01/00	05/31/05	30.86	4,676	144,306	146,116	165,960	165,960	
Lacey	509	10/01/02	09/30/07	16.19	7,070	114,463	114,468	114,468	114,468	
Lacey-hqt	455	03/01/02	01/01/07	17.51	239	4,185	4,188	4,188	4,448	
Lacey-hqt	455	03/01/02	01/01/07	17.49	299	5,231	5,232	5,232	5,557	
Lacey-hqt	460	03/01/02	02/28/07	16.19	9,524	154,190	154,188	154,188	161,896	
Long Beach	854	12/31/00	11/30/10	18.87	93	1,755	1,752	1,752	1,752	
Lynnwood	643	07/01/99	06/30/09	20.73	3,519	72,935	72,936	72,936	72,936	
Moses Lake	154	08/01/95	07/31/05	13.80	1,038	14,321	14,316	16,285	16,464	
Mount Vernon	687	03/01/03	01/31/05	18.72	2,660	49,795	52,915	57,276	57,276	
Newport	603	09/01/95	08/31/05	16.65	78	1,299	1,296	1,456	1,488	
Oak Harbor	566	08/01/01	07/31/06	16.35	472	7,716	7,716	7,716	8,772	
Port Angeles	838	05/01/00	04/30/05	14.79	1,411	20,869	21,390	24,000	24,000	
Port Townsend	181	10/01/98	03/31/04	17.19	80	1,375	1,584	1,584	1,584	
Port Townsend	864	08/01/02	05/31/06	14.66	887	13,005	13,008	13,171	14,964	
Pullman	870	07/01/02	06/30/07	15.54	1,521	23,636	23,640	23,640	23,640	
Puyallup	554	12/01/99	11/30/04	17.99	3,768	67,794	73,736	77,976	77,976	
Republic	642	08/01/03	07/31/08	14.89	123	1,832	1,836	1,836	1,836	
Seacac	857	04/01/00	03/31/05	0.43	4,622	2,002	2,079	2,304	2,304	
Seattle	202	12/01/98	04/30/14	19.20	4,439	85,221	85,224	85,224	85,224	
Seattle	482	06/01/00	05/31/05	23.22	5,348	124,200	125,753	142,836	142,836	
Seattle	763	09/01/98	08/31/03	18.24	6,891	125,683	125,688	125,688	125,688	
Seattle	763	09/01/98	08/31/03	18.25	235	4,289	4,284	4,284	4,284	
Seattle	915	07/01/03	06/30/08	23.48	919	21,578	21,576	21,576	21,576	
Seattle	916	07/01/03	06/30/08	22.19	4,168	92,480	92,484	92,484	92,484	
Shelton	637	09/01/97	09/30/07	17.83	535	9,537	9,540	9,540	9,540	
Shelton	914	12/01/02	11/30/07	17.19	2,263	38,904	38,904	38,904	38,904	
South Bend	666	11/01/99	10/31/09	17.15	301	5,161	5,371	5,477	5,477	Lease Step 11/1/04
Spokane	790	04/01/04	03/31/09	18.40	10,240	188,416	188,412	188,412	188,412	Changed to reflect lease value
Tacoma	187	07/01/00	06/30/05	18.54	2,697	50,002	50,004	57,504	57,504	
Tacoma	233	02/01/87	01/31/13	20.61	8,258	170,169	175,272	180,528	180,528	
Vancouver	734	08/01/03	07/31/13	18.19	6,486	117,980	117,984	117,984	117,984	

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AW M2-8L Lease Rate Adjustments	City	Cont #	Begin	End	Cost/ SOFT	SOFT	FY04	2005 Total	2006 Total	2007 Total	Comments on Any Changes			
Walla Walla	486	04/01/04	03/31/09		14.59	2,989	43,595	43,596	1	43,596	0	43,596	0	Changed to reflect lease value
Wapato	523	09/01/03	08/31/07		14.94	2,027	30,288	30,288	(0)	30,288	0	30,288	0	Changed to reflect lease value
Wenatchee	473	04/01/02	03/31/07		16.64	2,358	39,243	39,240	(3)	39,240	0	40,713	1,473	
Yakima	282	05/27/99	06/30/19		13.54	4,554	61,650	63,504	1,854	65,412	1,908	67,380	3,876	Lease Step 7/1/04, 7/1/05 & 7/1/06
Total					17.83	139,669	2,489,762	2,530,621	40,859	2,623,434	92,814	2,645,714	115,093	
Increase/Annual Total						Fastrack	2,571,278			Rounded:	93,000		115,000	
Bellingham	106	07/01/03	06/30/13		18.82	235	4,423	4,428	5	4,428	0	4,428	0	
Everett	127	07/01/02	06/30/10		21.01	1,561	32,790	32,796	6	36,411	3,615	36,411	3,615	Lease Step 7/1/05
Kelso	563	11/01/00	12/31/15		14.93	280	4,180	4,278	98	4,380	102	4,380	102	Lease Step 1/1/05
Kennewick	548	12/01/03	11/30/08		8.82	208	1,835	1,836	1	1,836	0	1,836	0	
Lacey-hqt	460	03/01/02	02/28/07		16.19	6,338	102,615	102,612	(3)	102,612	0	107,744	5,132	
Lacey-hqt	460	03/01/02	02/28/07		16.21	232	3,761	3,756	(5)	3,756	0	3,944	188	
Lacey-hqt	759	04/01/99	03/31/09		18.24	54,788	999,336	999,336	3	999,336	0	999,336	0	
Lacey-hqt	760	05/01/99	04/30/09		18.24	27,394	499,667	499,668	1	499,668	0	499,668	0	
Lacey-hqt	760	05/01/99	04/30/09		18.24	27,394	499,667	499,668	1	499,668	0	499,668	0	
Lakewood	852	08/01/00	07/31/05		16.19	3,863	62,542	62,544	2	71,146	8,602	71,928	9,384	
Mount Vernon	655	01/01/98	11/30/07		15.66	144	2,255	2,256	1	2,256	0	2,256	0	
Olympia-hqt	459	01/01/01	12/31/05		14.86	4,192	62,293	62,292	(1)	66,966	4,674	71,640	9,348	
Omak	385	05/01/01	04/30/06		16.79	194	3,257	3,252	(5)	3,334	82	3,744	492	
Pasco	175	10/01/98	11/30/04		14.10	131	1,847	2,009	162	2,124	115	2,124	115	
Seattle	202	12/01/98	04/30/14		19.19	666	12,783	12,780	(3)	12,780	0	12,780	0	
Seattle	409	12/01/03	11/30/06		17.53	2,400	42,080	42,084	4	42,084	0	45,766	3,682	
Shelton	637	09/01/97	09/30/07		17.83	144	2,568	2,568	0	2,568	0	2,568	0	
Spokane	379	07/01/00	06/30/05		14.25	2,678	38,160	38,160	0	43,884	5,724	43,884	5,724	
Spokane	833	02/01/00	01/31/05		16.50	680	11,220	11,920	700	12,900	980	12,900	980	
Spokane	887	05/01/01	04/30/06		16.00	2,510	40,160	40,164	4	41,168	1,004	46,188	6,024	
Sunnyside	688	05/01/98	04/30/08		12.64	100	1,264	1,260	(4)	1,260	0	1,260	0	
Tacoma	228	10/01/00	09/30/05		12.24	12,760	156,182	156,180	(2)	173,748	17,568	179,604	23,424	
Tacoma	532	06/01/93	05/31/13		27.46	433	11,891	11,892	1	11,892	0	11,892	0	
Tacoma	532	06/01/93	05/31/13		27.48	1,731	47,562	47,568	6	47,568	0	47,568	0	
Turnwater	347	06/01/03	05/31/08		5.03	60,000	301,608	301,608	0	301,608	0	301,608	0	
Wapato	523	09/01/03	08/31/08		14.94	205	3,063	3,060	(3)	3,060	0	3,060	0	
Wapato	523	09/01/03	08/31/08		12.39	114	1,413	1,416	3	1,416	0	1,416	0	
Yakima	282	05/27/99	06/30/19		13.54	594	8,041	8,280	239	8,532	252	8,784	504	Lease Step 7/1/04, 7/1/05 & 7/1/06
Yakima	816	07/01/00	06/30/05		18.69	2,050	38,315	38,316	1	44,064	5,748	44,064	5,748	
Total					14.00	214,019	2,996,775	2,997,987	1,212	3,046,452	48,465	3,072,448	74,461	
Increase/Annual Total						Fastrack	2,997,014			Rounded:	49,000		74,000	
DSHS Total					18.09	3,551,112	64,229,617	65,164,515	934,897	66,478,482	1,313,967	67,859,200	2,694,685	
Increase/Annual Total					18.35	3,551,112	65,164,515			Rounded:	1,314,000		2,695,000	
					0.00	3,551,112	0							
				#DIV/0!		3,551,112	0							
						Fastrack:	65,034,338					68,618,301		
												Bow Wave @ 61% State		
												Bow Wave @ 61% State		

Department of Social and Health Services

**DP Code/Title: M2-9M Medical Inflation**

**Program Level - 080 Medical Assistance**

Budget Period: 2005-07 Version: H1 080 2005-07 Agency Req 2 YR

**Recommendation Summary Text:**

This item funds inflation applicable to professional medical services and supplies purchased by the Department of Social and Health Services (DSHS) programs as an integral component of services provided to agency clients.

**Fiscal Detail:**

**Operating Expenditures**

	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
<b>Program 080</b>			
001-1 General Fund - Basic Account-State	24,000	49,000	73,000
001-2 General Fund - Basic Account-Federal	481,000	987,000	1,468,000
<b>Total Cost</b>	<b>505,000</b>	<b>1,036,000</b>	<b>1,541,000</b>

**Staffing**

**Package Description:**

The inflation rate for medical services is estimated to average 7.3 percent annually over the 2005-07 Biennium. This estimate represents a composite rate comprised of changes in costs for a number of medical services and supplies. In this request DSHS is making a distinction between the component or components of medical care (i.e. physicians, hospitals, drugs) and has applied corresponding estimated inflation rates for these services. The medical care services/goods and corresponding rates by program are as follows:

Medical Care Inflation - Composite Rate = 7.3 percent

Physician Services = 5.2 percent

Inpatient Hospital Services = 6.5 percent

Outpatient Hospital Services = 11.0 percent

Drugs = 9.3 percent

(July 02, 2004 Milliman Letter to Health Care Authority - "Trend Estimates for Calendar Years 2006 and 2007")

This step requests an inflation increase of 8.4 percent for state hospital general medical costs, 9.3 percent for state hospital pharmacy costs, and 6.5 percent for community inpatient costs.

This request is not duplicative of costs in the vendor rate base, nor does it include amounts for medical inflation related to forecasted programs.

**Narrative Justification and Impact Statement**

***How contributes to strategic plan:***

Recognition of these medical inflation costs will facilitate the department's ability to continue providing clients with current levels of service.

Department of Social and Health Services

**DP Code/Title: M2-9M Medical Inflation**

**Program Level - 080 Medical Assistance**

Budget Period: 2005-07 Version: H1 080 2005-07 Agency Req 2 YR

***Performance Measure Detail***

**Program: 080**

**Activity: H001 Administrative Costs**

No measures linked to package

**Incremental Changes**

**FY 1**

**FY 2**

0.00

0.00

***Reason for change:***

Recognition of medical inflation costs are essential to the department's ability to continue providing clients at current levels of service, improving the health of Washington citizens.

***Impact on clients and services:***

Recognition of medical inflation costs are essential to the department's ability to continue providing clients at current levels of service, improving the health of Washington citizens.

***Impact on other state programs:***

All DSHS programs that provide medical services would be impacted.

***Relationship to capital budget:***

None

***Required changes to existing RCW, WAC, contract, or plan:***

None

***Alternatives explored by agency:***

No alternatives are proposed. The services involved require the expertise of qualified medical providers at specific costs. Generally, costs are related to medical examinations, lab tests, radiology, and other ancillary services.

***Budget impacts in future biennia:***

General medical inflation is currently projected at a per annum rate of 7.3 percent, with higher rates for other components such as hospital and prescription drug services.

***Distinction between one-time and ongoing costs:***

These are all ongoing costs.

***Effects of non-funding:***

Medical service providers may choose not to renew contracts with DSHS, charge higher rates for services to other populations of DSHS clients, and/or reduce the number of services they are willing to provide in an attempt to balance costs with available reimbursement. These actions could impact client access to care and the quality of the care received. Programs may attempt to cut costs/services in other areas in order to fund medical inflation-related incremental costs.

***Expenditure Calculations and Assumptions:***

For the Medical Assistance Administration, the proposed inflation adjustment is limited to the costs of physician services that support the disability determination process in the Division of Disability Determination Services (DDDS).

Department of Social and Health Services

DP Code/Title: M2-9M Medical Inflation

Program Level - 080 Medical Assistance

Budget Period: 2005-07 Version: H1 080 2005-07 Agency Req 2 YR

This step requests an inflation increase of 5.2 percent per year, anticipating the projected growth in costs related to purchased physicians medical services (examinations, testing, etc.) that support DDDS disability determinations. This request does not include amounts for medical inflation related to forecasted programs or pharmaceuticals.

Physicians and other medical professionals provide services to meet the requirements of the disability determination process. Adequate reimbursement is essential to maintaining a cadre of qualified providers who are willing to provide these required services. This step will allow adequate payment levels to continue to meet DDDS' needs in this regard.

Assumptions:

- Physician services medical inflation of an average of 5.2 percent per annum for the biennium.
- The medical services impacted are not subject to entitlement program coverage.
- Medical services exclude the costs related to certain psychotropic and other pharmaceuticals.

See attachment - MAA M2-9M Medical Inflation.xls

**Object Detail**

	<b><u>FY 1</u></b>	<b><u>FY 2</u></b>	<b><u>Total</u></b>
<b>Program 080 Objects</b>			
N Grants, Benefits & Client Services	505,000	1,036,000	1,541,000

**DSHS Source Code Detail**

<b>Program 080</b>	<b><u>FY 1</u></b>	<b><u>FY 2</u></b>	<b><u>Total</u></b>
<b>Fund 001-1, General Fund - Basic Account-State</b>			
<b><u>Sources Title</u></b>			
0011 General Fund State	24,000	49,000	73,000
<b>Total for Fund 001-1</b>	<b>24,000</b>	<b>49,000</b>	<b>73,000</b>
<b>Fund 001-2, General Fund - Basic Account-Federal</b>			
<b><u>Sources Title</u></b>			
001B Social Security Disability Ins (100%)	481,000	987,000	1,468,000
<b>Total for Fund 001-2</b>	<b>481,000</b>	<b>987,000</b>	<b>1,468,000</b>
<b>Total Program 080</b>	<b>505,000</b>	<b>1,036,000</b>	<b>1,541,000</b>

**2005-07 Biennium**  
**M2-9M Medical Inflation**

**Medical Assistance Administration**  
**Medical Inflation Base - DDDS**

		<b>FY05 Expenditures (estimated)</b>	<b>Inflation Rate</b>
NB-9402	Consultative Exam	6,279,334	5.2%
NB-9403	Med Abstract	3,433,445	5.2%

	<b>Request</b>	
<b>FY06 Estimated</b>	<b>FY07 Estimated</b>	
10,217,843	10,749,171	505,065 1,036,392

<u>Fund Split (Rounded)</u>		
0011 GFS	24,000	49,000
566B SSI	481,000	987,000

Rate Assumptions *	
Physician/Other Services	0.052
Hospital Services	0.084
Prescription Drugs/Supplies	0.093

\* (Millman Basic Health Trend Estimates for Calendar Years 2006 and 2007)

Department of Social and Health Services

**DP Code/Title: M2-9T Transfers**

**Program Level - 080 Medical Assistance**

Budget Period: 2005-07 Version: H1 080 2005-07 Agency Req 2 YR

**Recommendation Summary Text:**

This item transfers the federal funding for the Home Care Quality Authority (HCQA) from the Medical Assistance Administration (MAA) to Long-Term Care (LTC).

**Fiscal Detail:**

**Operating Expenditures**

	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
<b>Program 080</b>			
001-C General Fund - Basic Account-DSHS Medicaid Federa	(1,485,000)	(1,485,000)	(2,970,000)
<b>Total Cost</b>	<b>(1,485,000)</b>	<b>(1,485,000)</b>	<b>(2,970,000)</b>

**Staffing**

**Package Description:**

This Decision Package moves the federal funding for the HCQA from the Department of Social and Health Services (DSHS) MAA, Program 080, to LTC budget, Program 050, for reasons of accountability, program continuity and efficiency. The HCQA activities for which federal funding is available impact services provided primarily to LTC and Division of Developmental Disabilities (DDD) clients, whose accounting staff are merged in LTC's Management Services Division. LTC staff currently provide support to HCQA, provide the means for claiming HCQA's federal matching funds and monitor federal earnings. LTC has an approved cost allocation plan to earn federal funds for HCQA. MAA does not provide services impacted by HCQA activity, does not have staff assigned to support HCQA, and does not have an approved cost allocation plan for this funding.

**Narrative Justification and Impact Statement**

***How contributes to strategic plan:***

The contribution comes from being more efficient with state resources.

***Performance Measure Detail***

**Program: 080**

**Activity: H091 Special Programs**

No measures linked to package

**Incremental Changes**

<u>FY 1</u>	<u>FY 2</u>
0.00	0.00

***Reason for change:***

This transfer is for efficiency and to ensure compliance with federal requirements.

***Impact on clients and services:***

None

***Impact on other state programs:***

The transfer is from MAA to LTC.

***Relationship to capital budget:***

Department of Social and Health Services

**DP Code/Title: M2-9T Transfers**  
**Program Level - 080 Medical Assistance**

Budget Period: 2005-07    Version: H1 080 2005-07 Agency Req 2 YR

Not applicable

***Required changes to existing RCW, WAC, contract, or plan:***

Not applicable

***Alternatives explored by agency:***

The option of doing a complete budget restructure within ADSA to combine Programs 040 and 050 into one budget program was explored. It was determined that there are other issues that need to be resolved before implementing such a change. This proposal is an interim step to assist in consistency of cost reporting.

Additionally, leaving the federal funds in MAA would require assigning staff to monitor the HCQA federal earnings and submitting a new MAA federal cost allocation plan. ADSA's LTC program currently meets both of these requirements, and for reasons of efficiency, this alternative was not considered viable.

***Budget impacts in future biennia:***

No impact.

***Distinction between one-time and ongoing costs:***

No costs.

***Effects of non-funding:***

Inconsistency of cost reporting related to DDD and the Management Services Division can create the potential for error in allocation of costs.

Additionally, MAA would need funding for staff to monitor the HCQA and write a Cost Allocation plan.

***Expenditure Calculations and Assumptions:***

<b><u>Object Detail</u></b>		<b><u>FY 1</u></b>	<b><u>FY 2</u></b>	<b><u>Total</u></b>
Program 080 Objects				
N	Grants, Benefits & Client Services	(1,485,000)	(1,485,000)	(2,970,000)
<b><u>DSHS Source Code Detail</u></b>				
Program 080				
Fund 001-C, General Fund - Basic Account-DSHS Medicaid Federa				
<b><u>Sources Title</u></b>				
19UL	Title XIX Admin (50%)	(1,485,000)	(1,485,000)	(2,970,000)
<b><i>Total for Fund 001-C</i></b>		<b>(1,485,000)</b>	<b>(1,485,000)</b>	<b>(2,970,000)</b>
<b>Total Program 080</b>		<b>(1,485,000)</b>	<b>(1,485,000)</b>	<b>(2,970,000)</b>



Department of Social and Health Services

**DP Code/Title: M2-FD Wide Area Network (WAN) Usage**

**Program Level - 080 Medical Assistance**

Budget Period: 2005-07 Version: H1 080 2005-07 Agency Req 2 YR

**Recommendation Summary Text:**

The Department of Social and Health Services (DSHS) is requesting funding to upgrade the Wide Area Network (WAN) infrastructure.

**Fiscal Detail:**

**Operating Expenditures**

	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
<b>Program 080</b>			
001-1 General Fund - Basic Account-State	71,000	46,000	117,000
001-C General Fund - Basic Account-DSHS Medicaid Federa	72,000	47,000	119,000
<b>Total Cost</b>	<b>143,000</b>	<b>93,000</b>	<b>236,000</b>

**Staffing**

**Package Description:**

DSHS is requesting upgrades to the WAN core infrastructure to accommodate increased growth of network traffic. This increase in traffic is being created by additional applications using the WAN to provide direct client services.

Many of these heavy network demands are related to the availability and distribution of new Web centric technology. As these new or updated applications are implemented, available bandwidth on the network has become saturated and performance has degraded. Delays and bottlenecks occur, resulting in increased processing time for client services and longer outages. This item replaces equipment and bandwidth that was designed and/or implemented approximately nine years ago. Most of the affected equipment has a projected industry life cycle of three years.

The network structure originating from 250 DSHS offices to the core shared bandwidth is currently oversubscribed by an average ratio of 6:1. This oversubscription is causing major delays, hours of troubleshooting and lost productivity. Newer high speed bandwidth options will help reduce the oversubscription more efficiently than using a "band aid" approach with older technology.

This upgrade will give DSHS the capability to serve clients and constituents in a more efficient manner. Replacing this equipment now will avoid outages and costly repairs due to outdated equipment. Additionally, from a resource perspective, it will become more cumbersome and expensive to add to our outdated network as compared to available newer offerings.

**Narrative Justification and Impact Statement**

***How contributes to strategic plan:***

Agency Strategic Plan Goal C: Improve accessibility and service integration.

Agency Strategic Plan Goal D: Improve customer services.

This infrastructure upgrade will allow DSHS to cost effectively implement the required core shared infrastructure and bandwidth to support the direction from both the Governor's Office to streamline government through the use of technology and the Washington State Digital plan.

This infrastructure upgrade supports the DSHS program areas and allows the Information System Services Division (ISSD) to meet the core values of its strategic plan as follows:

## Department of Social and Health Services

**DP Code/Title: M2-FD Wide Area Network (WAN) Usage****Program Level - 080 Medical Assistance**

Budget Period: 2005-07 Version: H1 080 2005-07 Agency Req 2 YR

- Ensures ISSD information technology direction is aligned with the department's overall plan,
- Allows delivery of efficient and cost effective information technology solutions that will allow DSHS staff to effectively deliver services to clients,
- Improves network capacity while ensuring accurate communications of information, and
- Upgrades the network infrastructure to keep pace with new and rapidly changing applications.

**Performance Measure Detail****Program: 080****Activity: H001 Administrative Costs**

No measures linked to package

**Incremental Changes****FY 1****FY 2**

0.00

0.00

**Reason for change:**

Technology has changed and the demand for more networking capacity has increased as DSHS program areas are using new tools to improve and deliver client services more efficiently. The infrastructure currently in place has been used for at least nine years and is not current with newer technology capabilities requirements. There is a high risk of increased and longer duration outages.

Upgrading the infrastructure will allow DSHS to cost effectively increase WAN capacity to meet the emerging business requirements of the agency. More importantly, this upgrade will give DSHS the flexibility and growth driven by new technology and business requirements to meet the agency's business goals.

This infrastructure upgrade also allows DSHS program areas to implement new applications and upgrade older Legacy systems such as but not limited to:

- Customer call centers for faster and more efficient customer service,
- Interactive Voice Response systems so clients can get their client and eligibility information 24-hours a day using their telephone,
- Interactive and static Internet Web pages that provide 24-hour service and save clients from traveling to a Community Service Office (CSO),
- Video services for client interviews at DSHS CSO outstations that do not have the staff to perform these functions at their small facilities,
- Digital sharing and storing of documents, reducing time and costs associated with paper documents, and
- Upgrade legacy batch and mainframe screen systems to Web centric solutions.

**Impact on clients and services:**

Upgrading the WAN infrastructure will allow all program areas within DSHS to implement applications that improve service delivery to clients. All program areas within DSHS are currently either working on initiatives and/or plans that will improve service delivery to customers that use newer technology. Examples of these initiatives within DSHS that demand additional WAN capacity are:

Economic Service Administration (ESA)

Customer Call Centers that will use the DSHS WAN for both voice and video to allow clients access to their information and a caseworker from their telephone and to receive services without traveling to a DSHS office.

ESA, Division of Child Support (DCS), Social Services Payment System (SSPS)

Interactive Voice Response systems (IVR) that connect the client to their information using their telephone without staff intervention. This allows 24-hour access to client information.

Department of Social and Health Services

**DP Code/Title: M2-FD Wide Area Network (WAN) Usage**

**Program Level - 080 Medical Assistance**

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Budget Period: 2005-07    Version: H1 080 2005-07 Agency Req 2 YR

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Children's Administration, Division of Developmental Disabilities, ESA/DCS, Financial Services Administration  
Interactive and static Web pages that allow clients and providers to conduct business with DSHS and receive information on services available and how to receive those services.

Office of Deaf & Hard of Hearing, ESA/DCS

Implement video conferencing to deliver client services, reduces the need for translators in the field for clients and reduces the need to staff small outstations with additional staff.

***Impact on other state programs:***

This upgrade will assist all program areas within DSHS to implement their initiatives using a shared network which is the most cost effective method to deliver these diverse client services. This infrastructure upgrade allows ISSD to support the network with current staff and does not require additional staff in the program areas. Additionally, this upgrade will allow DSHS additional room for growth.

***Relationship to capital budget:***

Not applicable

***Required changes to existing RCW, WAC, contract, or plan:***

None

***Alternatives explored by agency:***

The two available options are: 1) To continue with the current infrastructure, and 2) Implement the upgrade. If DSHS continues with the current infrastructure, it will be unable to meet the agency's business requirements as more demands and requirements are expected of the network.

If the network infrastructure is upgraded, the current network platform would be combined with newer technology provided through the Department of Information Services (DIS). This would leverage current investment and allow use of an installed Frame Relay network consolidating the network hubs together with network offerings including fiber optics, Asynchronous Transfer Mode (ATM), and Digital Subscriber Lines (DSL). In this manner, our shared bandwidth would be consolidated into a more cost effective, expandable resource for all program areas statewide within DSHS. This option allows DSHS to scale the network to fit current demands and allows for cost effective growth as required.

***Budget impacts in future biennia:***

Increased costs for WAN will continue into future biennia.

***Distinction between one-time and ongoing costs:***

This request is for one-time costs of \$2,155,000 and ongoing costs of \$2,135,000 for implementing new equipment, circuits, and high speed network offerings. The result of installing this upgrade will allow DSHS to manage and maintain a robust network that can support varied and complex applications instead of the current aging infrastructure

***Effects of non-funding:***

The effects of non-funding will affect all program areas and their clients within DSHS and the state of Washington. Many new applications are being implemented that degrade the existing infrastructure. Increased use of staff resources for trouble shooting, slow response times and application timeouts are common due to the non-performance of the current network platform.

Department of Social and Health Services

**DP Code/Title: M2-FD Wide Area Network (WAN) Usage**

**Program Level - 080 Medical Assistance**

Budget Period: 2005-07 Version: H1 080 2005-07 Agency Req 2 YR

Additionally, client services and staff support will be negatively impacted if the upgrade is not deployed. Activities such as determining a client's eligibility, insuring the safety of a child, collecting child support and making timely payments to DSHS contracted providers could be delayed or not successfully completed as required by law, resulting in possible litigation and/or loss of funding.

***Expenditure Calculations and Assumptions:***

See attachment - AW M2-FD Wide Area Network (WAN) Usage.xls

<b><u>Object Detail</u></b>		<b><u>FY 1</u></b>	<b><u>FY 2</u></b>	<b><u>Total</u></b>
<b>Program 080 Objects</b>				
T	Intra-Agency Reimbursements	143,000	93,000	236,000
<b><u>DSHS Source Code Detail</u></b>				
<b>Program 080</b>		<b><u>FY 1</u></b>	<b><u>FY 2</u></b>	<b><u>Total</u></b>
<b>Fund 001-1, General Fund - Basic Account-State</b>				
<b><u>Sources Title</u></b>				
0011	General Fund State	71,000	46,000	117,000
<b>Total for Fund 001-1</b>		<b>71,000</b>	<b>46,000</b>	<b>117,000</b>
<b>Fund 001-C, General Fund - Basic Account-DSHS Medicaid Federa</b>				
<b><u>Sources Title</u></b>				
19UL	Title XIX Admin (50%)	72,000	47,000	119,000
<b>Total for Fund 001-C</b>		<b>72,000</b>	<b>47,000</b>	<b>119,000</b>
<b>Total Program 080</b>		<b>143,000</b>	<b>93,000</b>	<b>236,000</b>

**2005-07 Biennium  
ML-FD Wide Area Network (WAN) Usage**

<b>Fiscal Year 2006</b>				
	<b>Device Count</b>	<b>Percent</b>	<b>Distribution</b>	<b>Rounded (to \$1000)</b>
010 Children and Family Services	3,697	16.02%	\$ 527,113	\$ 527,000
020 Juvenile Rehabilitation	798	3.46%	113,778	114,000
030 Mental Health	1,174	5.09%	167,387	167,000
030 MHD SCC	289	1.25%	41,205	41,000
040 Developmental Disabilities	1,705	7.39%	243,096	243,000
050 Aging and Adult Services	2,255	9.77%	321,515	322,000
060 Economic Services	10,184	44.13%	1,452,020	1,453,000
070 Alcohol and Substance Abuse	114	0.49%	16,254	16,000
080 Medical Assistance	1,005	4.36%	143,291	143,000
100 Vocational Rehabilitation	858	3.72%	122,332	122,000
110 Administration and Supporting Services	996	4.32%	142,008	142,000
<b>Total</b>	<b>23,075</b>	<b>100.00%</b>	<b>\$ 3,290,000</b>	<b>\$ 3,290,000</b>

<b>Fiscal Year 2007</b>				
	<b>Device Count</b>	<b>Percent</b>	<b>Distribution</b>	<b>Rounded (to \$1000)</b>
010 Children and Family Services	3,697	16.02%	\$ 342,063	\$ 342,000
020 Juvenile Rehabilitation	798	3.46%	\$ 73,834	74,000
030 Mental Health	1,174	5.09%	\$ 108,624	109,000
030 MHD SCC	289	1.25%	\$ 26,740	27,000
040 Developmental Disabilities	1,705	7.39%	\$ 157,754	158,000
050 Aging and Adult Services	2,255	9.77%	\$ 208,642	209,000
060 Economic Services	10,184	44.13%	\$ 942,268	941,000
070 Alcohol and Substance Abuse	114	0.49%	\$ 10,548	11,000
080 Medical Assistance	1,005	4.36%	\$ 92,987	93,000
100 Vocational Rehabilitation	858	3.72%	\$ 79,386	79,000
110 Administration and Supporting Services	996	4.32%	\$ 92,154	92,000
<b>Total</b>	<b>23,075</b>	<b>100.00%</b>	<b>\$ 2,135,000</b>	<b>\$ 2,135,000</b>

## 2005-07 Biennium M2-FD Wide Area Network (WAN) Usage

	One Time Costs	Recurring Year 1	Recurring Year 2	Recurring/ On going
<b>Wide Area Network Equipment (WAN)</b>				
Routers (approximately 80)	\$700,000	\$10,000	\$10,000	\$10,000
Switches (approximately 50)	\$300,000	\$10,000	\$10,000	\$10,000
<b>WAN Circuit upgrades</b>				
Additional circuits (Permanent Virtual Circuits)	\$125,000	\$75,000	\$75,000	\$75,000
Increased network capacity	\$400,000	\$1,000,000	\$2,000,000	\$2,000,000
<b>Core Equipment upgrade &amp; management tools</b>				
Routers, Switches, Uninterrupted Power Supplies, misc. items as needed	\$450,000	\$10,000	\$10,000	\$10,000
<b>Metropolitan Area Network (MAN)</b>				
Upgrade & expand high speed services	\$180,000	\$30,000	\$30,000	\$30,000
<b>Totals:</b>	<b>\$2,155,000</b>	<b>\$1,135,000</b>	<b>\$2,135,000</b>	<b>\$2,135,000</b>

\$2.155 million ~ One Time Costs

\$1.135 million ~ Recurring Costs ~ Year 1

\$2.135 million ~ Recurring Costs ~ Year 2

**WAN:** References remote sites within DSHS ie: Spokane CSO, Everett DCF5, etc.

**MAN:** References Lacey, Olympia, Tumwater Headquarters ie: Lacey Government Center, MAA, etc.

**Core:** References OB2 network equipment providing WAN & MAN termination points

**Circuits/Bandwidth:** Provided by DIS, Qwest, Comcast, & 3rd party vendors which allows data communication statewide.

AW M2-FD Wide Area Network (WAN) Usage.xls

Department of Social and Health Services

**DP Code/Title: M2-HA MMIS Reprocurement**  
**Program Level - 080 Medical Assistance**

Budget Period: 2005-07    Version: H1 080 2005-07 Agency Req 2 YR

**Recommendation Summary Text:**

The department is requesting funds to complete Design, Development and Implementation (DDI) of a new Medicaid Management Information System (MMIS). The department has completed the Requirement Analysis Phase of the project and currently is completing a competitive procurement to select an MMIS vendor. Design work is scheduled to begin in early January 2005, with replacement of the current MMIS scheduled for December 31, 2006.

**Fiscal Detail:**

**Operating Expenditures**

	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
<b>Program 080</b>			
001-1 General Fund - Basic Account-State	3,264,000	2,480,000	5,744,000
001-C General Fund - Basic Account-DSHS Medicaid Federa	25,281,000	19,827,000	45,108,000
<b>Total Cost</b>	<b>28,545,000</b>	<b>22,307,000</b>	<b>50,852,000</b>

**Staffing**

	<u>FY 1</u>	<u>FY 2</u>	<u>Annual Avg</u>
<b>Program 080 FTEs</b>	<b>35.0</b>	<b>35.0</b>	<b>35.0</b>

**Package Description:**

The MMIS supports the operations, maintenance and enhancements for the DSHS Medicaid programs with provider payments and related reporting totaling over \$6 billion per biennium. The Information Services Board (ISB), the federal CMS and the Legislature support this re-procurement effort. The ISB and CMS have approved the department's phased reprocurement strategy, which includes operation of the current system through December 31, 2006. ISB approved an optional year through December 2007, if needed, as a contingency.

**CONSOLIDATING PAYMENTS**

Replacement of MMIS is a unique opportunity, something the state of Washington has not pursued in over 20 years. Recognizing the significance of this effort, the Department of Social and Health Services (DSHS) Executive Steering Committee considered the scope of the new system and determined the future MMIS should address the following payments:

- All Medicaid payments within DSHS,
- Similar non-Medicaid payments (both medical and social service) with similar providers and processing requirements.

This scope decision allows DSHS to consolidate all Medicaid payments and data in one payment system, consistent with the Joint Legislative Audit and Review Committee (JLARC) and the Center for Medicare and Medicaid Services (CMS) recommendations. Today, the Social Services Payment System (SSPS) handles a portion of Medicaid payments and a majority of state-only funded programs. Consolidating payments also allows DSHS to leverage 90 percent federal funding, as state funded programs can process claims on the MMIS without additional state costs for development as long as no unique processing requirements are needed.

**BACKGROUND**

DSHS purchased the current MMIS in 1982 under a contract with Consultec Inc. (now ACS State Health care). Because of the many constraints with a legacy system of this era, DSHS completed the Requirements Analysis Phase in the Spring of 2004. This phase included completion of a Feasibility Study and documented over 1,000 detailed requirements through Joint Application Design sessions with more than 250 DSHS stakeholders. The Feasibility Study and Investment plan were approved by the ISB in March 2004. The study recommended replacement of the current system through the "Transfer and



Department of Social and Health Services

**DP Code/Title: M2-HA MMIS Reprocurement**

**Program Level - 080 Medical Assistance**

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Budget Period: 2005-07      Version: H1 080 2005-07 Agency Req 2 YR

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"Modify" option that transfers a system from another state and modifies it to meet Washington business needs. The new MMIS is expected to:

- Easily add/modify programs to respond to policy changes,
- Provide flexible and response reporting,
- Improve data sharing and interfaces with other systems,
- Support a common client/Provider ID,
- Automate labor-intensive interventions,
- Integrate multiple sub-systems,
- Improve customer service through on-line self service for providers and clients,
- Update and improve technology to address modularity, flexibility and inter-operability,
- Provide consistency with Enterprise Architecture Program principles within DSHS,
- Consolidate all Medicaid and similar non-Medicaid payments.

To manage significant changes to business operations due to consolidation of Medicaid and similar non-Medicaid payments, the future MMIS will be implemented in phases:

- Phase 1: Current MMIS functionality (through December 2006),
- Phase 2: Remaining Medicaid programs that currently use SSPS or A-19 manual processes (through December 2007),
- Phase 3: Remaining non-Medicaid programs that currently use SSPS or A-19 manual processes (through December 2008).

**SCOPE OF REQUEST**

This decision package requests funding necessary to complete the DDI effort during the 2005-07 Biennium. The work during this biennium will address implementation through Phase-1 and obtaining federal certification (scheduled for June 2007). The requested funding will support the following activities:

- Project management and staffing of the MMIS Re-Procurement Project Office,
- MMIS vendor payments for deliverables and milestones during DDI,
- Third party quality assurance oversight,
- Equipment purchases to support necessary MMIS infrastructure upgrades, and
- Business process re-engineering (BPR) to ensure the business processes of DSHS are re-aligned with the scope and capabilities of the new MMIS.

Funding of \$19.9 million has been approved for the 2003-05 Biennium to address the Requirements Analysis Phase, Acquisition Phase, and the first six-months of DDI. The project is on schedule, currently engaged in the Acquisition Phase to select an MMIS vendor and complete the contracting process. This decision package requests additional funding for DDI activities in the next biennium, primarily matchable by 90 percent federal funds. CMS has approved the Implementation - Advanced Planning Document (APD), including the recommended "Transfer and Modify" option, as well as the phased implementation approach.

Responses to the RFP will determine the level of funding needed for the DDI phases, as well as the vendor recommended DDI schedule. Assuming vendor costs for DDI will be approximately \$50 million and DDI will occur over a two-year period. The Medical Assistance Administration will provide a funding request update by the end of November, 2004.

**FTE REQUEST**

This request includes 9.0 additional Full Time Equivalents (FTEs) to address DDI tasks as follows:

1. System Interface Specialist - Responsible for analysis and coordination of upgrades to interfaces with multiple internal and external systems. The current MMIS sends or receives more than 70 data streams on a regular basis. These interfaces must



Department of Social and Health Services

**DP Code/Title: M2-HA MMIS Reprocurement**

**Program Level - 080 Medical Assistance**

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be re-designed and implemented to be compatible with the new system.

2. Data Conversion Specialist - Responsible for managing a massive data conversion effort. To meet claims processing and data repository needs, the future MMIS must contain historical data from the current MMIS, as well as selected SSPS data. Historical data from these legacy systems must be transformed, tested, scrubbed and loaded in the new system to support continuous, uninterrupted claims processing.

3. Acceptance Testing Coordinator - Responsible for managing the User Acceptance Testing process to ensure the new MMIS performs thousands of processes as expected and is ready to begin paying claims correctly in the production environment.

4. Provider Outreach Analyst - Responsible for working with thousands of providers to educate, train and inform them about the newly upgraded system. Experience with the Health Insurance Portability and Accountability Act (HIPAA) and MMIS upgrades in other states reveals that provider readiness is one of the most critical aspects of a successful system implementation.

5. Security Analyst - Responsible for implementing security measures per the HIPAA Security Rule, compliance with DSHS Information Technology Security Policy Manual, security awareness training, and best practices to protect against viruses, worms, intrusion attempts, or any other attacks from external or internal sources. CMS, the federal Medicaid agency, has recommended the addition of a Security Analyst for this purpose.

6. Cross-Administration Team (CAT) Members - Recognizing the enterprise nature of the MMIS Re-Procurement Project, 4.0 additional members of the CAT have been identified: 2.0 Management Services Administration, 1.0 Children's Administration and 1.0 for Juvenile Rehabilitation Administration representatives. These were not included in the original team composition as impacts to these administrations were unknown until the decision to consolidate Medicaid and non-Medicaid payments from SSPS to the new MMIS was made.

**Narrative Justification and Impact Statement**

***How contributes to strategic plan:***

Re-Procurement of the MMIS supports the Medical Assistance Administration strategic goal of strengthening information and fiscal monitoring systems.

***Performance Measure Detail***

**Program: 080**

**Activity: H001 Administrative Costs**

No measures linked to package

**Incremental Changes**

**FY 1**

0.00

**FY 2**

0.00

***Reason for change:***

The MMIS Re-Procurement project was determined to be necessary by the Legislature, the ISB, the department, and CMS. This funding will support completion of DDI in the next biennium. MMIS has not been competitively procured since 1989.

It should be noted that certain funding, including a number of FTEs, for MMIS reprocurement activities was approved for the Fiscal Year 2004. During the development of the program's carry forward level budget, the bowwave adjustment for MMIS reprocurement eliminated FTEs, which were approved for the project. This decision package recognizes those changes and requests reinstatement of the FTEs.

***Impact on clients and services:***

Department of Social and Health Services

**DP Code/Title: M2-HA MMIS Reprocurement**  
**Program Level - 080 Medical Assistance**

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Budget Period: 2005-07    Version: H1 080 2005-07 Agency Req 2 YR

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Any program that processes claims or other transactions in the future MMIS will be affected (all Medicaid payments and similar non-Medicaid payments). The project includes a Business Process Re-engineering effort to ensure business processes, providers and staff are ready for the new MMIS so the transition is seamless in terms of impact on clients and delivery of services.

***Impact on other state programs:***

None

***Relationship to capital budget:***

None

***Required changes to existing RCW, WAC, contract, or plan:***

None

***Alternatives explored by agency:***

Alternatives explored by agency:

- Keep the current MMIS,
- Re-host the current MMIS,
- Transfer and Modify an MMIS from another state,
- Custom develop an MMIS from the ground up.

Alternative chosen:

The Transfer and Modify option was recommended to and approved by the ISB and CMS.

***Budget impacts in future biennia:***

The next biennium will address a portion of Phase-2 and all of Phase-3 implementation.

***Distinction between one-time and ongoing costs:***

Vendor and state DDI costs are one-time system costs; whereas, maintenance of the new system, beginning mid-Fiscal Year 2007 are ongoing costs.

***Effects of non-funding:***

Operation of a certified MMIS is a federal requirement for receipt of Medicaid Federal Funding Participation. MMIS pays over \$6 billion per-biennium to thousands of providers for health care services to clients in need. Non-funding would force the department to continue the operation of the current system, thereby losing the opportunity to improve flexibility, overall functionality, reporting capabilities, system maintenance and the benefits of consolidating all Medicaid and similar non-Medicaid business into one payment system.

***Expenditure Calculations and Assumptions:***

See attachment - MAA M2-HA MMIS Reprocurement.xls

## Department of Social and Health Services

DP Code/Title: M2-HA MMIS Reprocurement

Program Level - 080 Medical Assistance

Budget Period: 2005-07 Version: H1 080 2005-07 Agency Req 2 YR

<u>Object Detail</u>		<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
<b>Program 080 Objects</b>				
A	Salaries And Wages	2,378,000	2,378,000	4,756,000
B	Employee Benefits	483,000	483,000	966,000
C	Personal Service Contracts	24,237,000	18,952,000	43,189,000
E	Goods And Services	414,000	414,000	828,000
J	Capital Outlays	1,000,000	47,000	1,047,000
T	Intra-Agency Reimbursements	33,000	33,000	66,000
<b>Total Objects</b>		<b>28,545,000</b>	<b>22,307,000</b>	<b>50,852,000</b>
 <b>DSHS Source Code Detail</b>				
<b>Program 080</b>		<b><u>FY 1</u></b>	<b><u>FY 2</u></b>	<b><u>Total</u></b>
<b>Fund 001-1, General Fund - Basic Account-State</b>				
<b><u>Sources Title</u></b>				
0011	General Fund State	3,264,000	2,480,000	5,744,000
<b>Total for Fund 001-1</b>		<b>3,264,000</b>	<b>2,480,000</b>	<b>5,744,000</b>
 <b>Fund 001-C, General Fund - Basic Account-DSHS Medicaid Federa</b>				
<b><u>Sources Title</u></b>				
19UD	Title XIX Admin (90%)	24,781,000	18,555,000	43,336,000
19UG	Title XIX Admin (75%)	0	1,249,000	1,249,000
19UL	Title XIX Admin (50%)	500,000	23,000	523,000
<b>Total for Fund 001-C</b>		<b>25,281,000</b>	<b>19,827,000</b>	<b>45,108,000</b>
<b>Total Program 080</b>		<b>28,545,000</b>	<b>22,307,000</b>	<b>50,852,000</b>

2005-07 Biennium  
M2-HA MMIS Reprourement

Summary by Object

Summary by Object												
	03 - 05 Biennium - Approved Funding					05 - 07 Biennium					Grand Total	
	FY04		FY05		Biennium Total	FY 06		FY 07		Biennium Total		
	State	Total	State	Fed		Total	State	Fed	Total			
Reqmts. Analysis (6/03 - 4/04)												
FTE		10										
Salaries	69,800	628,200		0	0	0	0	0	0	0	0	698,000
Benefits	13,200	118,800		0	0	0	0	0	0	0	0	132,000
Contracts	132,650	1,193,850		0	0	0	0	0	0	0	0	1,326,500
G&S	9,400	84,600		0	0	0	0	0	0	0	0	94,000
Travel	1,600	14,400		0	0	0	0	0	0	0	0	16,000
Capital	21,320	191,880		0	0	0	0	0	0	0	0	213,200
Intra-Agency	1,000	9,000		0	0	0	0	0	0	0	0	10,000
Subtotal:	248,970	2,240,730		0	0	0	0	0	0	0	0	2,489,700
Procurement (4/04 - 12/04)												
FTE		5			13							
Salaries	29,600	266,400		88,100	792,900	881,000		0	0	0	0	1,177,000
Benefits	5,600	50,400		17,900	161,100	179,000		0	0	0	0	235,000
Contracts	31,350	282,150		73,800	664,200	738,000		0	0	0	0	1,051,500
G&S	4,100	36,900		12,000	108,000	120,000		0	0	0	0	161,000
Travel	800	7,200		0	0	0		0	0	0	0	8,000
Capital	0	0		1,100	9,900	11,000		0	0	0	0	11,000
Intra-Agency	400	3,600		1,200	10,800	12,000		0	0	0	0	16,000
Subtotal:	71,850	646,650		194,100	1,746,900	1,941,000		0	0	0	0	2,659,500
Infrastructure Upgrade (7/04 - 12/06)												
Contracts	0	0		0	0	0		70,000	630,000	700,000	0	700,000
Facilities/Equip	0	0		437,500	1,312,500	1,750,000		509,045	490,955	1,000,000	0	1,000,000
Subtotal:	0	0		437,500	1,312,500	1,750,000		579,045	1,120,955	1,700,000	0	1,700,000
Design/Dev/Impl. (1/05 - 12/06)												
FTE		0			13						18	
Salaries	0	0		88,100	792,900	881,000		237,800	2,140,200	2,378,000	118,900	3,567,000
Benefits	0	0		17,900	161,100	179,000		48,300	434,700	483,000	24,150	724,500
Contracts	0	0		1,179,600	10,616,400	11,796,000		2,353,680	21,183,120	23,536,800	1,676,840	40,305,200
G&S	0	0		12,000	108,000	120,000		41,400	372,600	414,000	20,700	621,000
Travel	0	0		0	0	0		0	0	0	0	0
Capital	0	0		1,200	10,800	12,000		3,300	29,700	33,000	2,350	35,500
Intra-Agency	0	0		1,300	11,700	13,000		3,300	29,700	33,000	1,650	62,500
Subtotal:	0	0		1,300,100	11,700,900	13,001,000		2,684,480	24,160,320	26,844,800	1,844,590	45,290,700
Phased Implementation (1/07 - 1/09)												
FTE		0			0						18	
Salaries	0	0		0	0	0		0	0	0	118,900	1,189,000
Benefits	0	0		0	0	0		0	0	0	24,150	241,500
Contracts	0	0		0	0	0		0	0	0	51,840	518,400
G&S	0	0		0	0	0		0	0	0	20,700	207,000
Travel	0	0		0	0	0		0	0	0	0	0
Capital	0	0		0	0	0		0	0	0	21,150	23,500
Intra-Agency	0	0		0	0	0		0	0	0	1,650	16,500
Subtotal:	0	0		0	0	0		0	0	0	219,590	2,195,900
Project Totals:												
FTE		15			26						35	
Salaries	99,400	894,600		176,200	1,585,800	1,762,000		237,800	2,140,200	2,378,000	237,800	4,756,000
Benefits	18,800	169,200		35,800	322,200	358,000		48,300	434,700	483,000	48,300	966,000
Contracts	164,000	1,476,000		1,253,400	11,280,600	12,534,000		2,423,680	21,813,120	24,236,800	1,728,680	41,523,600
G&S	13,500	121,500		24,000	216,000	240,000		41,400	372,600	414,000	41,400	828,000
Travel	2,400	21,600		0	0	0		0	0	0	0	24,000
Capital	21,320	191,880		2,300	20,700	23,000		509,045	490,955	1,000,000	4,700	2,750,000
Facilities/Equip	0	0		437,500	1,312,500	1,750,000		3,300	29,700	33,000	0	66,000
Intra-Agency	1,400	12,600		2,500	22,500	25,000		3,300	29,700	33,000	3,300	105,000
Project Totals:	320,820	2,887,380		1,931,700	14,760,300	16,692,000		3,263,525	25,281,275	28,544,800	2,064,180	69,086,800

2005-07 Biennium  
M2-HA MMIS Reprourement

Summary by Object

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Note: 1) The bulk of the estimated costs above are for projected payments to the MMIS Vendor in the last quarter of the Biennium. The actual costs could vary greatly, depending on vendor responses to the RFP and market conditions at the time. 2) The Infrastructure Upgrade costs assume a retrofit of an existing building to support the new MMIS. Leasing options also are being explored. Estimates are preliminary and could vary greatly depending on retrofit vs. new lease decisions and actual vendor responses.

Department of Social and Health Services

**DP Code/Title: M2-HE HIPAA Funding**

**Program Level - 080 Medical Assistance**

Budget Period: 2005-07 Version: H1 080 2005-07 Agency Req 2 YR

**Recommendation Summary Text:**

This decision package requests funding for ongoing Medical Assistance Administration (MAA) operations to maintain compliance with existing federal Health Insurance Portability and Accountability Act (HIPAA) legislation and plan the implementation of future HIPAA rules such as the National Provider Identifier.

**Fiscal Detail:**

**Operating Expenditures**

	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
<b>Program 080</b>			
001-1 General Fund - Basic Account-State	493,000	275,000	768,000
001-C General Fund - Basic Account-DSHS Medicaid Federa	1,479,000	827,000	2,306,000
<b>Total Cost</b>	<b>1,972,000</b>	<b>1,102,000</b>	<b>3,074,000</b>

**Staffing**

	<u>FY 1</u>	<u>FY 2</u>	<u>Annual Avg</u>
<b>Program 080 FTEs</b>	<b>3.0</b>	<b>3.0</b>	<b>3.0</b>

**Package Description:**

HIPAA was signed into law August 1996. This reform covers health care fraud and abuse prevention, medical liability reform, and administrative simplifications. The administrative simplification portion of HIPAA was implemented in three rules, Privacy, Transactions and Codes Sets, and Security. There are six more HIPAA Rules to come, the next being the National Provider Identifier, which requires compliance in May 2007. This package requests funding to meet costs associated with maintaining agency compliance with the three rules enacted thus far and provide resources necessary to plan the implementation of the remaining six rules.

All health care organizations (health plans, health care providers, and health care clearing houses) that are covered entities must comply with HIPAA. Compliance involves one-time activities such as systems modifications. Ongoing activities include keeping abreast of HIPAA rules; advising business units how HIPAA rules impact them; assisting in the development of billing instructions and policies; monitoring and addressing privacy and security breaches; provider outreach and support; working with the Medicaid Management Information Systems vendor, Affiliated Computer Services Electronic Data Interchange Division on provider enrollment and testing issues; etc.

**Narrative Justification and Impact Statement**

***How contributes to strategic plan:***

HIPAA implementation contributes to the effective and efficient purchasing of health care services for Medicaid clients served by the state by complying with health care industry standards for electronic data interchange including cost recovery from third party insurers per targets established by the Legislature.

***Performance Measure Detail***

**Program: 080**

**Activity: H001 Administrative Costs**

No measures linked to package

<b>Incremental Changes</b>	
<u>FY 1</u>	<u>FY 2</u>
0.00	0.00

***Reason for change:***

Compliance with health care industry standards and federal legislation.

Department of Social and Health Services

**DP Code/Title: M2-HE HIPAA Funding**  
**Program Level - 080 Medical Assistance**

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Budget Period: 2005-07      Version: H1 080 2005-07 Agency Req 2 YR

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***Impact on clients and services:***

The impact of change on clients and services is significant:

1. Over 920,000 Washington residents rely on state and federal medical assistance programs administered by DSHS.
2. Over 45,000 medical providers serve DSHS clients.
3. Over 46 million medical claims are processed each biennium by DSHS.
4. DSHS spends over \$6 billion dollars per biennium on medical services.

HIPAA implementation and ongoing compliance must be accomplished in a manner that does not disrupt services to clients and payment to providers. This decision package covers costs and resources to minimize disruptions.

***Impact on other state programs:***

This HIPAA rule affects all administrations across the department. Many health care organizations that interface with these programs (i.e., Regional Support Networks, Local Health Districts, County Health Departments, Indian Tribes, Area Agencies on Aging, and similar organizations) will also be affected. The affected organizations must alter their business models, operational procedures, and information systems to operate in a synchronized HIPAA compliant fashion, wherever standard electronic transactions occur. Funding for this decision package will provide the resources to minimize negative impacts, which may be associated with compliance.

***Relationship to capital budget:***

None

***Required changes to existing RCW, WAC, contract, or plan:***

None

***Alternatives explored by agency:***

DSHS took a minimalist approach to HIPAA compliance using an enterprise model that resulted in making as few changes as possible in both information systems and business models to achieve HIPAA compliance across the enterprise.

Current information systems were modified (in lieu of replacement) to leverage limited resources, control scope, and manage risk. The development of new applications was limited.

Whenever possible, DSHS used existing state resources, securing contractors only where capacity or expertise was needed. The department is focused on limiting risk from a technology standpoint by using technology, hardware, tools, and approaches that are proven at the industry level.

***Budget impacts in future biennia:***

Portions of this decision package will be required in future biennia.

***Distinction between one-time and ongoing costs:***

See the "Package Description" and attachment for one-time and ongoing cost areas.

***Effects of non-funding:***

If this decision package is not funded the department may not be capable of meeting all its obligations as a health plan

Department of Social and Health Services

**DP Code/Title: M2-HE HIPAA Funding**

**Program Level - 080 Medical Assistance**

Budget Period: 2005-07 Version: H1 080 2005-07 Agency Req 2 YR

including timely payment to health care providers. Non-funding also places the department at risk of not remaining HIPAA compliant. Non-compliance jeopardizes Medicaid funding.

***Expenditure Calculations and Assumptions:***

See attachment - MAA M2-HE HIPAA Funding.xls

<b><u>Object Detail</u></b>	<b><u>FY 1</u></b>	<b><u>FY 2</u></b>	<b><u>Total</u></b>
<b>Program 080 Objects</b>			
A Salaries And Wages	190,000	190,000	380,000
B Employee Benefits	40,000	40,000	80,000
C Personal Service Contracts	1,703,000	827,000	2,530,000
E Goods And Services	36,000	36,000	72,000
J Capital Outlays	0	6,000	6,000
T Intra-Agency Reimbursements	3,000	3,000	6,000
<b>Total Objects</b>	<b>1,972,000</b>	<b>1,102,000</b>	<b>3,074,000</b>

**DSHS Source Code Detail**

<b><u>Program 080</u></b>	<b><u>FY 1</u></b>	<b><u>FY 2</u></b>	<b><u>Total</u></b>
<b>Fund 001-1, General Fund - Basic Account-State</b>			
<b><u>Sources Title</u></b>			
0011 General Fund State	493,000	275,000	768,000
<b>Total for Fund 001-1</b>	<b>493,000</b>	<b>275,000</b>	<b>768,000</b>
<b>Fund 001-C, General Fund - Basic Account-DSHS Medicaid Federa</b>			
<b><u>Sources Title</u></b>			
19UG Title XIX Admin (75%)	1,479,000	827,000	2,306,000
<b>Total for Fund 001-C</b>	<b>1,479,000</b>	<b>827,000</b>	<b>2,306,000</b>
<b>Total Program 080</b>	<b>1,972,000</b>	<b>1,102,000</b>	<b>3,074,000</b>



**2005-07 Biennium  
M2-HE HIPAA Funding**

ISD HIPAA  
'05-07 Biennium Budget  
Staffing Projection

	Monthly		Months		Annual FTE		FY06 Costs						FY07 Costs						
	FTE	Salary	FY06	FY07	FY06	FY07	Salary	Benefit	G&S	Equip	ISSD	Total	Salary	Benefit	G&S	Equip	ISSD	Total	
<u>Ongoing Costs</u>																			
HIPAA Expert	1.0	5,000	12	12	12	1.00	1.00	60,000	13,000	12,000	0	1,000	86,000	60,000	13,000	12,000	2,000	1,000	88,000
Provider Outreach / EDI Liaison	1.0	4,834	12	12	12	1.00	1.00	58,000	13,000	12,000	0	1,000	84,000	58,000	13,000	12,000	2,000	1,000	86,000
HIPAA Manager	1.0	6,000	12	12	12	1.00	1.00	72,000	14,000	12,000	0	1,000	99,000	72,000	14,000	12,000	2,000	1,000	101,000
<b>Total</b>	<b>3.0</b>					<b>3.00</b>	<b>3.00</b>	<b>190,000</b>	<b>40,000</b>	<b>36,000</b>	<b>0</b>	<b>3,000</b>	<b>269,000</b>	<b>190,000</b>	<b>40,000</b>	<b>36,000</b>	<b>6,000</b>	<b>3,000</b>	<b>275,000</b>

Staffing costs are from the 05-07 staffing model template

## 2005-07 Biennium M2-HE HIPAA Funding

ISD HIPAA  
'05-07 Biennium Budget  
Contract Projections

	7/1/05 to 6/30/06	7/1/06 to 12/31/06
Front-End / Middleware	1,650,492	800,495
COB Outbound phase 1	48,000	24,000
COB Outbound phase 2	4,800	2,400
	<u>1,703,292</u>	<u>826,895</u>

Assumption: the MMIS Reprocurement project will be implemented on 1/1/07

Department of Social and Health Services

**DP Code/Title: M2-HF NH ProShare**  
**Program Level - 080 Medical Assistance**

Budget Period: 2005-07 Version: H1 080 2005-07 Agency Req 2 YR

**Recommendation Summary Text:**

This reflects the phasing out of the Nursing Home (NH) ProShare activity as required by the Centers for Medicare and Medicaid Services (CMS).

**Fiscal Detail:**

**Operating Expenditures**

	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
<b>Program 080</b>			
001-C General Fund - Basic Account-DSHS Medicaid Federa	(18,218,000)	(17,630,000)	(35,848,000)
760-1 Health Services Account-State	(18,218,000)	(17,630,000)	(35,848,000)
<b>Total Cost</b>	<b>(36,436,000)</b>	<b>(35,260,000)</b>	<b>(71,696,000)</b>

**Staffing**

**Package Description:**

Under the NH ProShare program, the state can reimburse non-state government-owned (Public Hospital District) nursing homes up to the Medicare Upper Payment Limit (UPL) for services provided to Medicaid clients. The value of the UPL is the difference between what Medicare would have paid and what Medicaid paid for services to these clients and is the amount paid out in ProShare payments. In prior biennia, most of the ProShare payment was returned to the state in an Inter-Governmental Transfer (IGT) payment. This revenue was placed in the Health Services Account and funded health care services for low-income Washington residents. For the 2005-07 Biennium, the Nursing Facilities will retain the entire amount resulting in the loss of IGT.

**Narrative Justification and Impact Statement**

***How contributes to strategic plan:***

***Performance Measure Detail***

**Program: 080**

**Activity: H023 Disproportionate Share Hospital/Proshare**  
No measures linked to package

<b>Incremental Changes</b>	
<u>FY 1</u>	<u>FY 2</u>
0.00	0.00

***Reason for change:***

This change is a result of the federal requirement to eliminate inappropriate IGT transactions.

***Impact on clients and services:***

None

***Impact on other state programs:***

None

***Relationship to capital budget:***

Department of Social and Health Services

**DP Code/Title: M2-HF NH ProShare**  
**Program Level - 080 Medical Assistance**

Budget Period: 2005-07    Version: H1 080 2005-07 Agency Req 2 YR

Not applicable

***Required changes to existing RCW, WAC, contract, or plan:***

All necessary updates to the Washington Administrative Codes and the state plan have been completed.

***Alternatives explored by agency:***

Federal rules were extensively researched to develop updated ProShare amounts. No other alternatives are available at this time since these rules must be adhered to.

***Budget impacts in future biennia:***

ProShare payment will continue in future years despite the loss in IGTs.

***Distinction between one-time and ongoing costs:***

For the 2005-07 and future biennia, only public hospital district UPL payments will be allowable, i.e., the federal "phase out" of larger ProShare payments was completed in Fiscal Year 2005. All subsequent ProShare payments will total approximately \$5 million annually beginning in State Fiscal Year 2006.

***Effects of non-funding:***

If this request is not approved, HSA revenues will not be accurately reflected.

***Expenditure Calculations and Assumptions:***

See attachment - MAA M2-HF NH ProShare.xls

<b><u>Object Detail</u></b>		<b><u>FY 1</u></b>	<b><u>FY 2</u></b>	<b><u>Total</u></b>
Program 080 Objects				
N	Grants, Benefits & Client Services	(36,436,000)	(35,260,000)	(71,696,000)
<b><u>DSHS Source Code Detail</u></b>				
Program 080		<b><u>FY 1</u></b>	<b><u>FY 2</u></b>	<b><u>Total</u></b>
Fund 001-C, General Fund - Basic Account-DSHS Medicaid Federa				
<b><u>Sources Title</u></b>				
19TA	Title XIX Assistance (FMAP)	(18,218,000)	(17,630,000)	(35,848,000)
Total for Fund 001-C		(18,218,000)	(17,630,000)	(35,848,000)
Fund 760-1, Health Services Account-State				
<b><u>Sources Title</u></b>				
7601	Health Services Account	(18,218,000)	(17,630,000)	(35,848,000)
Total for Fund 760-1		(18,218,000)	(17,630,000)	(35,848,000)
Total Program 080		(36,436,000)	(35,260,000)	(71,696,000)

**2005-07 Biennium  
M2-HF NH ProShare**

**UPL Excess Computation - New CMS Proposal - Total Computable**

	Amount
Total Facility & UPL Payments in SFY 2000	\$163,174,388
SFY 2000 Non-State Govt Operated UPL	(\$22,137,880)
Excess	<u>\$141,036,508</u>

**Estimated Maximum Allowable Payments During Transition Period (UPL + Excess) - New CMS Proposal**

	SFY2002	SFY 2003	SFY2004	SFY2005	SFY2006	SFY2007
1. Total Excess Amount	\$141,036,508	\$141,036,508	\$141,036,508	\$141,036,508	\$141,036,508	
2. Allowable Excess Percentage	100%	75%	50%	25%	0%	0%
3. Allowable Excess (1 x 2)	\$141,036,508	\$105,777,381	\$70,518,254	\$35,259,127	\$0	\$0
4. Estimated Non-State Govt UPL	\$30,394,928	\$6,482,571	\$5,894,625	\$5,894,625	\$5,894,625	\$5,894,625
5. Total Allowable Payments (3 + 4)	\$171,431,436	\$112,259,952	\$76,412,879	\$41,153,752	\$5,894,625	\$5,894,625

**Method 1**

**05-07 Bien Analysis**

	SFY 1	SFY 2	Total
Allowable Excess included in CFL	\$70,518,254	\$35,259,127	
Allowable Excess for SFY 06/SFY 07	\$0	\$0	
Adjustment to CFL 05-07 budget	(\$34,084,000)	\$0	
Adj needed for ML step to 05-07 budget	\$36,434,254	\$35,259,127	\$71,693,381

OR

**Method 2**

**05-07 Bien Analysis**

	SFY 1	SFY 2	Total
03-05 Original Biennial Budget	\$104,116,000	\$70,032,000	
Supplemental 04 Budget	(\$27,701,000)	(\$28,878,000)	
Net	\$76,415,000	\$41,154,000	
Less:			
Estimated Non-State Govt UPL for SFY 06 & 07	\$5,894,625	\$5,894,625	
	(\$70,520,375)	(\$35,259,375)	(\$105,779,749)
Adjustment to CFL 05-07 budget	(\$34,084,000)	\$0	
Adj needed for ML step to 05-07 budget	(\$36,436,375)	(\$35,259,375)	(\$71,695,749)

Note: Differences in Adj to CFL between methods due to rounding.

Adj needed for ML step to 05-07 budget	(\$36,436,000)	(\$35,260,000)	(\$71,696,000)
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001-C GF-Basic Account-DSHS Med	(\$18,218,000)	(\$17,630,000)	(\$35,848,000)
760-1 Health Services Account-State	(\$18,218,000)	(\$17,630,000)	(\$35,848,000)



State of Washington  
 Department of Social and Health Services  
**Recommendation Summary**

Version: 11 - 2005-07 Agency Request Budget

Budget Period: 2005-07  
 Budget Level Criteria: PL Only

Dollars in Thousands	Program Priority	Annual Avg FTEs	General Fund State	Other Funds	Total Funds
<b>Program 080 - Medical Assistance</b>					
<b>PL - Performance Level</b>					
9G FTE Staff Adjustment	0	(0.1)	0	0	0
9T Transfers	0	(0.1)	(2)	(2)	(4)
DB Children Aging Out of Other Svcs	0	1.5	0	1,581	1,581
HH IGT Design	0	0.0	0	5,400	5,400
HJ Medical Nutrition Scope of Coverage	0	3.0	(2,584)	(2,583)	(5,167)
HL School Ad-Match	0	(2.0)	(123)	(18,121)	(18,244)
HM MAA Relocation	0	0.0	1,372	1,372	2,744
HN Service Rate Increase	0	0.0	51,206	45,360	96,566
HP MMIS Electronic Billing	0	1.0	102	303	405
HQ Hospital Blood Co-factor	0	0.0	2,000	2,000	4,000
HT Emergency Department Utilization	0	1.5	958	959	1,917
HU Reinstatement Children's Health Program	0	3.0	10,832	1,650	12,482
HV Medical Eligibility Review Cycle	0	0.0	0	4,867	4,867
HW Safe Moms/Babies Sustainable Fund	0	0.0	1,760	1,440	3,200
LB Provider Rate Increase	0	0.0	45,205	67,772	112,977
LC Part D Administration Costs	0	9.0	584	581	1,165
LD Hospital Recalibration	0	0.0	5,900	5,900	11,800
PA Electronic Intrusion Prevention	0	0.0	28	27	55
SubTotal PL		16.8	117,238	118,506	235,744
<b>Total Proposed PL Only Budget for Program 080 - Medical Assistance</b>		16.8	117,238	118,506	235,744

Department of Social and Health Services

DP Code/Title: PL-9G FTE Staff Adjustment

Program Level - 080 Medical Assistance

Budget Period: 2005-07 Version: H1 080 2005-07 Agency Req 2 YR

**Recommendation Summary Text:**

This decision package centralizes the Department of Social and Health Services (DSHS) background check Full-Time Equivalents (FTEs) in the Background Checks Central Unit (BCCU).

**Fiscal Detail:**

**Operating Expenditures**

**FY 1**

**FY 2**

**Total**

*Program Cost*

*Total Cost*

**Staffing**

**FY 1**

**FY 2**

**Annual Avg**

Program 080 FTEs

(0.1)

(0.1)

(0.1)

**Package Description:**

The BCCU staff (15.6 FTEs) are funded by three different administrations and report to the Human Resources Division. Centralization of the FTEs will ensure maximum efficiency and consistency of services provided. With this centralization, the BCCU will also move to a chargeback methodology, based on the number of background checks conducted for each administration in DSHS. This methodology will avoid difficulties associated with the current method of a combination of direct charges and an outdated formula for determining amounts of time and effort associated with each program.

The total number of background checks performed each quarter will be divided by the total costs. Charges to each administration will be based on the actual number of background checks performed for that administration as a percentage of the total background checks performed for the agency.

**Narrative Justification and Impact Statement**

*How contributes to strategic plan:*

Centralizing FTEs fosters the agency's goal to integrate and centralize services to maximize efficiencies throughout the department.

***Performance Measure Detail***

**Program: 080**

**Activity: H001 Administrative Costs**

No measures linked to package

**Incremental Changes**

**FY 1**

**FY 2**

0.00

0.00

***Reason for change:***

Centralizing FTEs ensures consistency of services across the department. It eliminates the unnecessary step of transferring funding and provides an accounting for each program's background check usage, including the appropriate state/federal funding split.

***Impact on clients and services:***



Department of Social and Health Services

**DP Code/Title: PL-9G FTE Staff Adjustment**  
**Program Level - 080 Medical Assistance**

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Budget Period: 2005-07    Version: H1 080 2005-07 Agency Req 2 YR

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The improved consistency of background checks will enable providers to be placed in service more efficiently, resulting in a positive benefit for the agency's vulnerable clients.

***Impact on other state programs:***

The programs depending on background check information for contracting with providers and hiring staff will benefit in more efficient background check turnaround.

***Relationship to capital budget:***

None

***Required changes to existing RCW, WAC, contract, or plan:***

None

***Alternatives explored by agency:***

An option to centralizing the FTEs is to leave them spread out throughout the agency, based on the initial evaluation of the program. This adds extra steps in the unnecessary transferring of funds, has provided inequable charges to some administrations and savings to others, has hampered/reduced the ability of BCCU to respond to the needs of the department, and limited the ability to provide a comprehensive plan.

***Budget impacts in future biennia:***

This is a no impact decision package. The FTEs and associated costs change will continue.

***Distinction between one-time and ongoing costs:***

This is a no impact decision package.

***Effects of non-funding:***

Non-centralizing the FTEs is to leave them spread out throughout the agency, based on the initial evaluation of the program. This adds extra steps in the unnecessary transferring of funds, has provided inequable charges to some administrations and savings to others, has hampered/reduced the ability of BCCU to respond to the needs of the department, and limited the ability to provide a comprehensive plan.

***Expenditure Calculations and Assumptions:***

See attachment - AW PL-9G FTE Staff Adjustment.xls

**Object Detail**

**FY 1**

**FY 2**

**Total**

**Program Totals**

Department of Social and Health Services

DP Code/Title: PL-9G FTE Staff Adjustment

Program Level - 080 Medical Assistance

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Budget Period: 2005-07    Version: H1 080 2005-07 Agency Req 2 YR

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**DSHS Source Code Detail**

**FY 1**

**FY 2**

**Total**

Fund ,

**Sources Title**

*Total for Fund*

**Total**

**Totals for all funds**

**2005-07 Biennium  
PL-9G FTE Staff Adjustment**

Background Checks Centralized Unit  
Cost allocation to programs comparison

**Basis for 15.6 FTE distribution coming from programs**

April 2004					FTEs: 17.6	
Program	FTEs*	Cases	%	Dist		
CA	3.50	3,957	20.37%	3.6		
DDD	0.00	1,827	9.40%	1.7		
LTC	2.12	7,819	40.25%	7.1		
ESA	5.57	4,434	22.82%	4.0		
Ex Mgt	0.00	0	0.00%	0.0		
BCCU	1.50	0	0.00%	0.0		
DVR	0.00	1,046	5.38%	0.9		
MHD	0.00	134	0.69%	0.1		
SCC	0.00	89	0.46%	0.1		
JRA	0.00	46	0.24%	0.0		
MAA	0.00	68	0.35%	0.1		
HRD	0.00	7	0.04%	0.0		
Total	12.69	19,427	100.00%	17.6		

\*Disbursements only

June 2004					FTEs: 17.6	
Program	FTEs*	Cases	%	Dist		
CA	3.50	4,567	20.01%	3.5		
DDD	0.00	2,001	8.77%	1.5		
LTC	2.12	9,314	40.81%	7.2		
ESA	5.57	6,567	28.78%	5.1		
Ex Mgt	0.00	0	0.00%	0.0		
BCCU	1.50	0	0.00%	0.0		
DVR	0.00	21	0.09%	0.0		
MHD	0.00	146	0.64%	0.1		
SCC	0.00	63	0.28%	0.1		
JRA	0.00	55	0.24%	0.0		
MAA	0.00	84	0.37%	0.1		
HRD	0.00	3	0.01%	0.0		
Total	12.69	22,821	100.00%	17.6		

\*Disbursements only

May 2004					FTEs: 17.6	
Program	FTEs*	Cases	%	Dist		
CA	3.00	4,106	20.95%	3.7		
DDD	0.00	1,820	9.28%	1.6		
LTC	2.00	8,729	44.52%	7.9		
ESA	6.14	4,645	23.70%	4.2		
Ex Mgt	0.00	0	0.00%	0.0		
BCCU	2.95	0	0.00%	0.0		
DVR	0.00	6	0.03%	0.0		
MHD	0.00	119	0.61%	0.1		
SCC	0.00	46	0.23%	0.0		
JRA	0.00	74	0.38%	0.1		
MAA	0.00	49	0.25%	0.0		
HRD	0.00	9	0.05%	0.0		
Total	14.09	19,603	100.00%	17.6		

\*Disbursements only

Average April-June 2004 FTEs and Cases					17.5 (2.0)	
Program	FTEs	Cases**	%	Total FTEs	From Programs	
CA*	3.33	4,210	20.78%	3.6	(3.0)	
DDD	0.00	1,883	9.29%	1.6	(1.0)	
LTC*	2.08	8,621	42.55%	7.3	(5.5)	
ESA*	5.76	5,215	25.74%	4.5	(5.6)	
Ex Mgt	0.00	0	0.00%	0.0	0.0	
BCCU	1.98	0	0.00%	0.0	0.0	
DVR**	0.00	**	**	0.1	(0.1)	
MHD	0.00	133	0.66%	0.1	(0.1)	
SCC	0.00	66	0.33%	0.1	(0.1)	
JRA	0.00	58	0.29%	0.1	(0.1)	
MAA	0.00	67	0.33%	0.1	(0.1)	
HRD	0.00	6	0.03%	0.0	0.0	
Total	13.15	20,259	100.00%	17.5	(15.6)	

\*Initial Allotments are: CA: 3.0 FTEs, LTC: 4.0 FTEs, ESA: 5.6 FTEs

\*\*Cases total is without DVR; DVR set at 0.1 FTEs

Department of Social and Health Services

**DP Code/Title: PL-9T Transfers**  
**Program Level - 080 Medical Assistance**

Budget Period: 2005-07 Version: H1 080 2005-07 Agency Req 2 YR

**Recommendation Summary Text:**

This decision package transfers funding and Full-Time Equivalents (FTEs) to centralize the funding for certain functions currently split among the Department of Social and Health Services (DSHS) Administrations.

**Fiscal Detail:**

**Operating Expenditures**

	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
<b>Program 080</b>			
001-1 General Fund - Basic Account-State	(1,000)	(1,000)	(2,000)
001-C General Fund - Basic Account-DSHS Medicaid Federa	(1,000)	(1,000)	(2,000)
<b>Total Cost</b>	<b>(2,000)</b>	<b>(2,000)</b>	<b>(4,000)</b>

**Staffing**

	<u>FY 1</u>	<u>FY 2</u>	<u>Annual Avg</u>
<b>Program 080 FTEs</b>	<b>(0.1)</b>	<b>(0.1)</b>	<b>(0.1)</b>

**Package Description:**

This decision package transfers staff between various programs within DSHS and Program 110. These transfers are for the Social Services Payment System (SSPS) Improvement Project, staff for the Travel Voucher System (TVS) Centralization, Building and Mail Services from Woodland Square, and Background Check funding.

**1. Social Service Payment System**

This decision package will stabilize the funding for staff used to maintain and enhance SSPS by transferring the funding for the 9.0 positions needed to maintain Invoice Express, Direct Deposit, Computer Output to Laser Disk (COLD) (thousands of reports on the web instead of on paper) and subsequent enhancements.

These positions are currently maintaining the 1999 through year 2000 enhancements that saved over one million dollars in their first year of implementation, which continues to enable Aging and Disability Services Administration (ADSA), the Economic Services Administration (ESA), and Children's Administration (CA) to avoid payment of nearly two million dollars of additional processing cost each subsequent year.

Currently, the administrations are returning up to one-half of each year's savings to pay for the 9.0 FTEs. These costs are charged to the administrations after-the-fact and administrations are unable to plan for the expenditures.

**2. Travel Voucher System**

DSHS Cabinet approved the centralization of travel processing and the utilization of the Office of Financial Management's statewide TVS. A transfer of 3.0 FTEs from the DSHS programs to Financial Services Administration (FSA) is necessary to implement TVS for all DSHS programs.

FSA is considered the agency subject matter expert in the application of travel regulations and in the development of travel policy. During 2003 an analysis was conducted on existing travel processes and to determine how the department performed decentralized travel processing. The department performed a cost/benefit analysis that assumed: 1) Centralized travel processing within the FSA, and 2) Implementation of OFM's Statewide TVS. That analysis indicated the department could increase the efficiency and consistency of business service delivery and maintain or improve existing levels of accountability. Based on that analysis the DSHS Cabinet approved the centralization of travel processing transfer to FSA and the implementation of OFM's statewide TVS for all DSHS programs.

In Fiscal Year 2004, DSHS Cabinet approved the centralization of travel processing and the agencywide utilization of the

State of Washington  
**Decision Package**  
**Department of Social and Health Services**

**FINAL**

**DP Code/Title: PL-9T Transfers**  
**Program Level - 080 Medical Assistance**

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OFGs statewide TVS. The goals are to 1) increase the efficiency and consistency of business service delivery, and 2) maintain or improve existing levels of accountability. To support centralized travel processing, a transfer of 3.0 FTEs from the DSHS programs to FSA is requested for one Financial Analyst 3 (Travel Administrator) and two Fiscal Technicians to process agency travel statewide.

The travel administrator will coordinate travel policy, provide ongoing travel training, and assume travel administrator responsibilities. The fiscal technicians will process agency travel, ensuring consistency in the application of travel regulations. Utilization of TVS will ensure more efficient and timely processing of travel payments.

The utilization of TVS will improve service delivery over the existing manual process as follows:

Average processing time (in minutes) with manual process: 28.0. Average processing time (in minutes) with TVS: 5.32. Time savings (in minutes): 22.68.

**3. Building and Mail Management**

Transferring the budget and FTEs will more efficiently and consistently fund the mail and facility management functions at Blake Office Park and Woodland Square. Funding is transferred from the benefitting programs to the Lands and Buildings Division (L&Bs) and the Management Services Fiscal Office (MSFO).

For a number of years, the L&B and the MSFO have provided building management and mail services to the tenants of the Blake Office Park and Woodland Square in Lacey. Each tenant division paid its share of the staff costs associated with providing these services. Occupancy of those facilities has been very stable during this time. However, certain factors are now poised to disrupt the smooth flow funding for these services.

A number of moves are scheduled, which will require new shares to be calculated and agreed to. More importantly, the department has recently implemented a policy, prompted by federal audit concerns, that requires staff funded by a number of other entities to complete time sheets each month. This process would then require cumbersome accounting corrections each month by journal voucher. To avoid these inefficiencies, the client divisions have agreed to transfer funding for these essential services to the Administration and Supporting Services program.

4. Transfer the M2-RA Criminal background checks funding from Program 110 to Long-Term Care (LTC). The approved methodology for accounting for background check costs requires the funding be attached to the programs requesting the background checks. The increase in background checks workload is primarily within LTC.

1-4. These transfers will rectify any possibility of a federal audit disallowance due to direct charging staff to programs without a proper cost allocation methodology.

**Narrative Justification and Impact Statement**

***How contributes to strategic plan:***

This decision package contributes to the agency strategic plan by assisting FSA in improving processes that promote the efficient, effective, and prudent use of state resources.

1. The SSPS centralization contributes to the Statewide Results number 11 "improve the ability of state government to achieve its results efficiently and effectively."

2. The use of TVS is considered a statewide "best practice". Travel centralization supports the agency balanced scorecard by promoting integrated service delivery.

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3. One of the program's goals as stated in the strategic plan is to, "maintain collaborative relationships with our customers and partners based on service, mutual respect, open communications and accessibility." Another is to, "continuously enhance and improve business processes." Both of these have been honored in the collaborative process used to problem solve with the customer divisions.

4. The background checks accounting methodology contributes to the Statewide Results number 11 "improve the ability of state government to achieve its results efficiently and effectively."

***Performance Measure Detail***

**Program: 080**

**Activity: H001 Administrative Costs**

No measures linked to package

**Incremental Changes**

**FY 1**

0.00

**FY 2**

0.00

***Reason for change:***

1. Centralizing the functions will improve the efficiency of accounting and provide a single source contact in comparison to multiple sources of contact.
2. Service delivery for all DSHS employees, board/commission members, and volunteers will be improved by centralizing the travel process, particularly through use of TVS.
3. The purpose of this transfer is to ensure the uninterrupted flow of mail and building management services to customer divisions and the equally smooth flow of funding to support such services.
4. This transfer is the result of the decision to keep the background checks funding in the administrations.

***Impact on clients and services:***

This centralization is for efficiency and should not impact any services.

***Impact on other state programs:***

All DSHS Administrations are impacted only to the extent the funding is being transferred. The functions themselves should not be impacted.

***Relationship to capital budget:***

None

***Required changes to existing RCW, WAC, contract, or plan:***

None

***Alternatives explored by agency:***

The alternative is to continue the current methodology of accounting for the functions. Centralizing improves efficiency and has no cost impact.

1. The positions are currently funded after-the-fact. This package will permanently transfer the dollars in order to stabilize the revenues and expenditures of the affected administrations.
2. Utilize TVS, but maintain decentralized fiscal processing offices. The infrastructure that has been developed for travel

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centralization has reduced the administrative burden created by the department's more restrictive travel policies. This will improve efficiency regardless of whether travel centralization occurs. However, travel processing errors will continue since adequate training, particularly on travel regulations, is not available. Inconsistency in the application of travel regulations, particularly when more restrictive travel rules are applied in a program, results in travelers being treated differently under like travel circumstances, which is prohibited by statewide travel regulations. The alternative is inconsistent with the integration of service delivery as defined by the Regional Business Services initiative, and has not been adopted by the DSHS Cabinet.

3. As tenants in the Lacey facilities change, new funding agreements would have to be negotiated and put in place. In addition, extremely inefficient time tracking, through the use of time sheets, would have to be instituted to satisfy potential federal audit challenges and to be in compliance with new departmental policy.

4. The alternative, leaving part of the funding in Program 110, does not match the agreed upon methodology of keeping the background check funding the administrations.

***Budget impacts in future biennia:***

This is a no cost decision package. The costs will be the same as in the current budget.

***Distinction between one-time and ongoing costs:***

This is a no cost decision package.

***Effects of non-funding:***

This decision package is not a request for funding. Not centralizing the functions will result in continued inefficiencies in accounting for the costs. The functions themselves will continue as currently maintained.

***Expenditure Calculations and Assumptions:***

See attachment - AW PL-9T Transfers.xls

<u>Object Detail</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Program 080 Objects			
A Salaries And Wages	(2,000)	(2,000)	(4,000)
<u>DSHS Source Code Detail</u>			
Program 080	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Fund 001-1, General Fund - Basic Account-State			
<u>Sources Title</u>			
0011 General Fund State	(1,000)	(1,000)	(2,000)
Total for Fund 001-1	(1,000)	(1,000)	(2,000)
Fund 001-C, General Fund - Basic Account-DSHS Medicaid Federa			
<u>Sources Title</u>			
19UL Title XIX Admin (50%)	(1,000)	(1,000)	(2,000)
Total for Fund 001-C	(1,000)	(1,000)	(2,000)
Total Program 080	(2,000)	(2,000)	(4,000)

PL-9T Transfer Steps to Program 110 05/07 Budget

ASD- SSPS Improvement Project Program Transfer

Program 110 5000-A50-K002					Program 010 9000-J50-A033					Program 010 9000-H57-A012					Program 010 9000-A50-A009					Program 040 1000-H57-D036					Program 050 9000-J70-E051					Program 060 9000-M01-F078				
FTEs	SFY06	SFY07	BIEN	0.0	SFY06	SFY07	BIEN	0.0	SFY06	SFY07	BIEN	0.0	SFY06	SFY07	BIEN	0.0	SFY06	SFY07	BIEN	0.0	SFY06	SFY07	BIEN	0.0	SFY06	SFY07	BIEN	0.0						
A	529,000	529,000	1,058,000		(10,000)	(10,000)	(20,000)		(57,000)	(57,000)	(114,000)		(49,000)	(49,000)	(98,000)		(74,000)	(74,000)	(148,000)		(122,000)	(122,000)	(244,000)		(217,000)	(217,000)	(434,000)							
B	115,000	115,000	230,000		(2,000)	(2,000)	(4,000)		(12,000)	(12,000)	(24,000)		(11,000)	(11,000)	(22,000)		(16,000)	(16,000)	(32,000)		(26,000)	(26,000)	(52,000)		(48,000)	(48,000)	(96,000)							
E	0	0	0		(1,000)	(1,000)	(2,000)		(5,000)	(5,000)	(10,000)		(4,000)	(4,000)	(8,000)		(6,000)	(6,000)	(12,000)		(10,000)	(10,000)	(20,000)		(19,000)	(19,000)	(38,000)							
EA	41,000	41,000	82,000		0	0	0		0	0	0		0	0	0		0	0	0		0	0	0		0	0	0							
EN	4,000	4,000	8,000		0	0	0		0	0	0		0	0	0		0	0	0		0	0	0		0	0	0							
G	5,000	5,000	10,000		(1,000)	(1,000)	(2,000)		0	0	0		0	0	0		(1,000)	(1,000)	(2,000)		(1,000)	(1,000)	(2,000)		(2,000)	(2,000)	(4,000)							
J	27,000	27,000	54,000		0	0	0		0	0	0		0	0	0		(5,000)	(5,000)	(10,000)		(8,000)	(8,000)	(16,000)		(14,000)	(14,000)	(28,000)							
TZ	9,000	9,000	18,000		0	0	0		(1,000)	(1,000)	(2,000)		(1,000)	(1,000)	(2,000)		0	0	0		(2,000)	(2,000)	(4,000)		(4,000)	(4,000)	(8,000)							
Total	730,000	703,000	1,433,000		(14,000)	(14,000)	(28,000)		(75,000)	(75,000)	(150,000)		(65,000)	(65,000)	(130,000)		(103,000)	(98,000)	(201,000)		(169,000)	(161,000)	(330,000)		(304,000)	(290,000)	(594,000)							
001-1 0011	409,000	395,000	804,000		(10,000)	(10,000)	(20,000)		(53,000)	(53,000)	(106,000)		(45,000)	(45,000)	(90,000)		(51,000)	(49,000)	(100,000)		(84,000)	(80,000)	(164,000)		(166,000)	(158,000)	(324,000)							
001-2 001B	0	0	0		0	0	0		0	0	0		0	0	0		0	0	0		0	0	0		0	0	0							
001-2 566B	2,000	2,000	4,000		0	0	0		0	0	0		0	0	0		0	0	0		0	0	0		(2,000)	(2,000)	(4,000)							
001-2 E61L	41,000	39,000	80,000		0	0	0		0	0	0		0	0	0		0	0	0		0	0	0		(41,000)	(39,000)	(80,000)							
001-A 563I	0	0	0		0	0	0		0	0	0		0	0	0		0	0	0		0	0	0		0	0	0							
001-A 658L	35,000	35,000	70,000		(3,000)	(3,000)	(6,000)		(17,000)	(17,000)	(34,000)		(15,000)	(15,000)	(30,000)		0	0	0		0	0	0		0	0	0							
001-A 659L	0	0	0		0	0	0		0	0	0		0	0	0		0	0	0		0	0	0		0	0	0							
001-C 19JL	194,000	186,000	380,000		(1,000)	(1,000)	(2,000)		(5,000)	(5,000)	(10,000)		(5,000)	(5,000)	(10,000)		(52,000)	(49,000)	(101,000)		(85,000)	(81,000)	(166,000)		(46,000)	(45,000)	(91,000)							
001-D 558B	41,000	39,000	80,000		0	0	0		0	0	0		0	0	0		0	0	0		0	0	0		(41,000)	(39,000)	(80,000)							
001-E 596A	8,000	7,000	15,000		0	0	0		0	0	0		0	0	0		0	0	0		0	0	0		(8,000)	(7,000)	(15,000)							
Total	730,000	703,000	1,433,000		(14,000)	(14,000)	(28,000)		(75,000)	(75,000)	(150,000)		(65,000)	(65,000)	(130,000)		(103,000)	(98,000)	(201,000)		(169,000)	(161,000)	(330,000)		(304,000)	(290,000)	(594,000)							



FSA - TVS Centralization Transfer

		Program 010 4000-A42-K037		Program 010 9000-J50-A033		Program 010 9000-J50-A012		Program 010 9000-J50-A009		Program 020 1000-G30-B072		Program 020 9000-G10-B046		Program 030 9000-G70-C900	
FTES		SFY06	SFY07	BIEN	SFY06	SFY07	BIEN	SFY06	SFY07	BIEN	SFY06	SFY07	BIEN	SFY06	SFY07
		3.0	3.0	3.0	(0.1)	(0.1)	(0.1)	(0.6)	(0.6)	(0.6)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)
A	105,000	105,000	105,000	210,000	(4,000)	(4,000)	(8,000)	(21,000)	(21,000)	(21,000)	(1,000)	(1,000)	(1,000)	(3,000)	(3,000)
B	26,000	26,000	26,000	52,000	(1,000)	(1,000)	(2,000)	(5,000)	(5,000)	(5,000)	0	0	0	(1,000)	(1,000)
E	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
EA	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
EN	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
G	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
J	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TZ	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total		131,000	131,000	262,000	(5,000)	(5,000)	(10,000)	(26,000)	(26,000)	(26,000)	(1,000)	(1,000)	(1,000)	(4,000)	(4,000)
001-1	0011	81,000	82,000	163,000	(4,000)	(4,000)	(8,000)	(18,000)	(18,000)	(18,000)	(1,000)	(1,000)	(1,000)	(2,000)	(2,000)
001-2	001B	0	0	0	0	0	0	0	0	0	0	0	0	0	0
001-2	566B	1,000	1,000	2,000	0	0	0	0	0	0	0	0	0	0	0
001-2	561L	3,000	3,000	6,000	0	0	0	0	0	0	0	0	0	0	0
001-A	963I	0	0	0	0	0	0	0	0	0	0	0	0	0	0
001-A	658L	12,000	12,000	24,000	(1,000)	(1,000)	(2,000)	(6,000)	(6,000)	(6,000)	0	0	0	0	0
001-A	659L	0	0	0	0	0	0	0	0	0	0	0	0	0	0
001-C	19JL	31,000	30,000	61,000	0	0	0	(2,000)	(2,000)	(2,000)	0	0	0	0	0
001-D	558B	3,000	3,000	6,000	0	0	0	0	0	0	0	0	0	0	0
001-E	596A	0	1,000	1,000	0	0	0	0	0	0	0	0	0	0	0
Total		131,000	131,000	262,000	(5,000)	(5,000)	(10,000)	(26,000)	(26,000)	(26,000)	(1,000)	(1,000)	(1,000)	(4,000)	(4,000)

Program 050 4000-J74-E052				Program 060 9000-M01-F078				Program 070 9000-J30-G022				Program 080 6000-V90-H001				Program 100 9000-T40-J103			
FTES	SFY06 (0.9)	SFY07 (0.9)	BIEN (0.9)	SFY06 (0.9)	SFY07 (0.4)	BIEN (0.4)	SFY06 (0.1)	SFY07 (0.1)	BIEN (0.1)	SFY06 (0.1)	SFY07 (0.1)	BIEN (0.1)	SFY06 (0.1)	SFY07 (0.1)	BIEN (0.1)	SFY06 (0.1)	SFY07 (0.1)	BIEN (0.1)	
A	(33,000)	(33,000)	(66,000)	(17,000)	(17,000)	(34,000)	(1,000)	(1,000)	(2,000)	(2,000)	(2,000)	(4,000)	(4,000)	(4,000)	(8,000)	(4,000)	(4,000)	(8,000)	
B	(9,000)	(9,000)	(18,000)	(4,000)	(4,000)	(8,000)	0	0	0	0	0	0	0	(1,000)	(2,000)	(1,000)	(1,000)	(2,000)	
E	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
EA	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
EN	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
G	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
J	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
TZ	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Total	(42,000)	(42,000)	(84,000)	(21,000)	(21,000)	(42,000)	(1,000)	(1,000)	(2,000)	(2,000)	(2,000)	(4,000)	(5,000)	(5,000)	(10,000)	(5,000)	(5,000)	(10,000)	
001-1	0011	(21,000)	(21,000)	(42,000)	(11,000)	(12,000)	(1,000)	(1,000)	(2,000)	(1,000)	(1,000)	(2,000)	(5,000)	(5,000)	(10,000)	(5,000)	(5,000)	(10,000)	
001-2	001B	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
001-2	566B	0	0	0	(1,000)	(1,000)	0	0	0	0	0	0	0	0	0	0	0	0	
001-2	E61L	0	0	0	(3,000)	(6,000)	0	0	0	0	0	0	0	0	0	0	0	0	
001-A	563I	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
001-A	658L	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
001-A	659L	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
001-C	19JL	(21,000)	(21,000)	(42,000)	(3,000)	(2,000)	(5,000)	(1,000)	(1,000)	(2,000)	(2,000)	(4,000)	(5,000)	(5,000)	(10,000)	(5,000)	(5,000)	(10,000)	
001-D	558B	0	0	0	(3,000)	(6,000)	(1,000)	(1,000)	(2,000)	(1,000)	(1,000)	(2,000)	(5,000)	(5,000)	(10,000)	(5,000)	(5,000)	(10,000)	
001-E	596A	0	0	0	0	(1,000)	(1,000)	0	0	0	0	0	0	0	0	0	0	0	

2005-07 Biennium  
PL-9T Transfers

Building and Mail Svcs Program Transfer

		Program 110 A44 4000 K047		Program 110 A50 5000 K002		Program 110 A20 2000 K026		Program 050 9000 J70 E051		Program 070 9000 J30 G022		Program 100 9000 T40 J103	
FTEs		SFY06 0.8	SFY07 0.8	BIEN 0.8		SFY06 (0.2)	SFY07 (0.2)	BIEN (0.2)		SFY06 (0.4)	SFY07 (0.4)	BIEN (0.4)	
Total		38,000	38,000	76,000	54,000	(8,000)	(8,000)	(16,000)	(34,000)	(15,000)	(15,000)	(30,000)	(8,000)
001-1 0011		25,000	25,000	50,000	34,000	(5,000)	(5,000)	(10,000)	(17,000)	(12,000)	(12,000)	(24,000)	(8,000)
001-2 001B		0	0	0	0	0	0	0	0	0	0	0	0
001-2 566B		0	0	0	0	0	0	0	0	0	0	0	0
001-2 E61L		0	0	0	0	0	0	0	0	0	0	0	0
001-A 563I		0	0	0	0	0	0	0	0	0	0	0	0
001-A 658L		0	0	0	0	0	0	0	0	0	0	0	0
001-A 659L		0	0	0	0	0	0	0	0	0	0	0	0
001-C 19JL		13,000	13,000	26,000	20,000	(3,000)	(3,000)	(6,000)	(17,000)	(3,000)	(3,000)	(6,000)	(8,000)
001-D 558B		0	0	0	0	0	0	0	0	0	0	0	0
001-E 596A		0	0	0	0	0	0	0	0	0	0	0	0
Total		38,000	38,000	76,000	54,000	(8,000)	(8,000)	(16,000)	(34,000)	(15,000)	(15,000)	(30,000)	(8,000)
001-1 0011		25,000	25,000	50,000	34,000	(5,000)	(5,000)	(10,000)	(17,000)	(12,000)	(12,000)	(24,000)	(8,000)
001-2 001B		0	0	0	0	0	0	0	0	0	0	0	0
001-2 566B		0	0	0	0	0	0	0	0	0	0	0	0
001-2 E61L		0	0	0	0	0	0	0	0	0	0	0	0
001-A 563I		0	0	0	0	0	0	0	0	0	0	0	0
001-A 658L		0	0	0	0	0	0	0	0	0	0	0	0
001-A 659L		0	0	0	0	0	0	0	0	0	0	0	0
001-C 19JL		13,000	13,000	26,000	20,000	(3,000)	(3,000)	(6,000)	(17,000)	(3,000)	(3,000)	(6,000)	(8,000)
001-D 558B		0	0	0	0	0	0	0	0	0	0	0	0
001-E 596A		0	0	0	0	0	0	0	0	0	0	0	0
Total		38,000	38,000	76,000	54,000	(8,000)	(8,000)	(16,000)	(34,000)	(15,000)	(15,000)	(30,000)	(8,000)

BCCU transfer

		Program 110 A80 8000 K094		Program 050 9000 J81 E051	
FTEs		SFY06 0.0	SFY07 0.0	BIEN 0.0	
Total		(106,000)	(106,000)	(212,000)	212,000
001-1 0011		(54,000)	(54,000)	(108,000)	108,000
001-2 001B		0	0	0	0
001-2 566B		0	0	0	0
001-2 E61L		0	0	0	0
001-A 563I		0	0	0	0
001-A 658L		0	0	0	0
001-A 659L		0	0	0	0
001-C 19JL		(52,000)	(52,000)	(104,000)	104,000
001-D 558B		0	0	0	0
001-E 596A		0	0	0	0
Total		(106,000)	(106,000)	(212,000)	212,000

2005-07 Biennium  
PL-9T Transfers

Summary

		Program 110 8000-A80-K094		Program 110 4000-A44-K047		Program 110 5000-A50-K002		Program 110 2000-A20-K026		Program 110 4000-A42-K037		Program 110 SUMMARY	
FTEs		SFY06	SFY07	BIEN	SFY06	SFY07	BIEN	SFY06	SFY07	BIEN	SFY06	SFY07	BIEN
A	(67,000)	(67,000)	(134,000)	(67,000)	(67,000)	(134,000)	(67,000)	(67,000)	(134,000)	(67,000)	(67,000)	(134,000)	(67,000)
B	(21,000)	(21,000)	(42,000)	(21,000)	(21,000)	(42,000)	(21,000)	(21,000)	(42,000)	(21,000)	(21,000)	(42,000)	(21,000)
E	0	0	0	0	0	0	0	0	0	0	0	0	0
EA	(15,000)	(15,000)	(30,000)	(15,000)	(15,000)	(30,000)	(15,000)	(15,000)	(30,000)	(15,000)	(15,000)	(30,000)	(15,000)
EN	0	0	0	0	0	0	0	0	0	0	0	0	0
G	(1,000)	(1,000)	(2,000)	(1,000)	(1,000)	(2,000)	(1,000)	(1,000)	(2,000)	(1,000)	(1,000)	(2,000)	(1,000)
J	0	0	0	0	0	0	0	0	0	0	0	0	0
TZ	(2,000)	(2,000)	(4,000)	(2,000)	(2,000)	(4,000)	(2,000)	(2,000)	(4,000)	(2,000)	(2,000)	(4,000)	(2,000)
Total	(106,000)	(106,000)	(212,000)	(106,000)	(106,000)	(212,000)	(106,000)	(106,000)	(212,000)	(106,000)	(106,000)	(212,000)	(106,000)
001-1	0011	(54,000)	(54,000)	(108,000)	(54,000)	(108,000)	(54,000)	(54,000)	(108,000)	(54,000)	(54,000)	(108,000)	(54,000)
001-2	0018	0	0	0	0	0	0	0	0	0	0	0	0
001-2	5668	0	0	0	0	0	0	0	0	0	0	0	0
001-2	E61L	0	0	0	0	0	0	0	0	0	0	0	0
001-A	563I	0	0	0	0	0	0	0	0	0	0	0	0
001-A	658L	0	0	0	0	0	0	0	0	0	0	0	0
001-A	659L	0	0	0	0	0	0	0	0	0	0	0	0
001-C	19UL	(52,000)	(52,000)	(104,000)	(52,000)	(104,000)	(52,000)	(52,000)	(104,000)	(52,000)	(52,000)	(104,000)	(52,000)
001-D	5588	0	0	0	0	0	0	0	0	0	0	0	0
001-E	596A	0	0	0	0	0	0	0	0	0	0	0	0
Total		(106,000)	(106,000)	(212,000)	(106,000)	(212,000)	(106,000)	(106,000)	(212,000)	(106,000)	(106,000)	(212,000)	(106,000)
		Program 010 9000-J50-A033		Program 010 9000-J50-A012		Program 010 9000-J50-A009		Program 010 SUMMARY		Program 020 1000-G30-B072		Program 020 9000-G10-B046	
FTEs		SFY06	SFY07	BIEN	SFY06	SFY07	BIEN	SFY06	SFY07	BIEN	SFY06	SFY07	BIEN
A	(14,000)	(14,000)	(28,000)	(14,000)	(14,000)	(28,000)	(14,000)	(14,000)	(28,000)	(14,000)	(14,000)	(28,000)	(14,000)
B	(3,000)	(3,000)	(6,000)	(3,000)	(3,000)	(6,000)	(3,000)	(3,000)	(6,000)	(3,000)	(3,000)	(6,000)	(3,000)
E	(1,000)	(1,000)	(2,000)	(1,000)	(1,000)	(2,000)	(1,000)	(1,000)	(2,000)	(1,000)	(1,000)	(2,000)	(1,000)
EA	0	0	0	0	0	0	0	0	0	0	0	0	0
EN	(1,000)	(1,000)	(2,000)	(1,000)	(1,000)	(2,000)	(1,000)	(1,000)	(2,000)	(1,000)	(1,000)	(2,000)	(1,000)
G	0	0	0	0	0	0	0	0	0	0	0	0	0
J	0	0	0	0	0	0	0	0	0	0	0	0	0
TZ	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	(19,000)	(19,000)	(38,000)	(19,000)	(19,000)	(38,000)	(19,000)	(19,000)	(38,000)	(19,000)	(19,000)	(38,000)	(19,000)
001-1	0011	(14,000)	(14,000)	(28,000)	(14,000)	(28,000)	(14,000)	(14,000)	(28,000)	(14,000)	(14,000)	(28,000)	(14,000)
001-2	0018	0	0	0	0	0	0	0	0	0	0	0	0
001-2	5668	0	0	0	0	0	0	0	0	0	0	0	0
001-2	E61L	0	0	0	0	0	0	0	0	0	0	0	0
001-A	563I	0	0	0	0	0	0	0	0	0	0	0	0
001-A	658L	(4,000)	(4,000)	(8,000)	(4,000)	(8,000)	(4,000)	(4,000)	(8,000)	(4,000)	(4,000)	(8,000)	(4,000)
001-A	659L	0	0	0	0	0	0	0	0	0	0	0	0
001-C	19UL	(1,000)	(1,000)	(2,000)	(1,000)	(2,000)	(1,000)	(1,000)	(2,000)	(1,000)	(1,000)	(2,000)	(1,000)
001-D	5588	0	0	0	0	0	0	0	0	0	0	0	0
001-E	596A	0	0	0	0	0	0	0	0	0	0	0	0
Total		(19,000)	(19,000)	(38,000)	(19,000)	(38,000)	(19,000)	(19,000)	(38,000)	(19,000)	(19,000)	(38,000)	(19,000)

2005-07 Biennium  
PL-9T Transfers

Program 030 9000-G70-C900/SUMMARY				Program 040 1000-H57-D036/SUMMARY				Program 050 4000-J74-E052				Program 050 9000-J70-E051				Program 050 9000-J81-E051				Program 050 SUMMARY				Program 060 9000-M01-F078/SUMMARY				
FTEs		SFY06	SFY07	BIEN	SFY06	SFY07	BIEN	SFY06	SFY07	BIEN	SFY06	SFY07	BIEN	SFY06	SFY07	BIEN	SFY06	SFY07	BIEN	SFY06	SFY07	BIEN	SFY06	SFY07	BIEN	SFY06	SFY07	BIEN
		(0.1)	(0.1)	(0.1)	0.0	0.0	0.0	(0.9)	(0.9)	(0.9)	(0.8)	(0.8)	(0.8)	(0.8)	(0.8)	(0.8)	67,000	67,000	134,000	(148,000)	(148,000)	(148,000)	67,000	67,000	134,000	(234,000)	(234,000)	(468,000)
A		(3,000)	(3,000)	(6,000)	(74,000)	(74,000)	(148,000)	(33,000)	(33,000)	(33,000)	(148,000)	(148,000)	(148,000)	(148,000)	(148,000)	(148,000)	21,000	21,000	42,000	(34,000)	(34,000)	(34,000)	21,000	21,000	42,000	(52,000)	(52,000)	(104,000)
B		(1,000)	(1,000)	(2,000)	(16,000)	(16,000)	(32,000)	(9,000)	(9,000)	(9,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	15,000	15,000	30,000	(10,000)	(10,000)	(10,000)	15,000	15,000	30,000	(19,000)	(19,000)	(38,000)
E		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
EA		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
EN		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1,000	1,000	2,000	(1,000)	(1,000)	(1,000)	1,000	1,000	2,000	(2,000)	(2,000)	(4,000)
G		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
J		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TZ		0	0	0	(1,000)	(1,000)	(2,000)	0	0	0	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	2,000	2,000	4,000	(8,000)	(8,000)	(8,000)	2,000	2,000	4,000	(4,000)	(4,000)	(8,000)
Total		(4,000)	(4,000)	(8,000)	(103,000)	(98,000)	(201,000)	(42,000)	(42,000)	(42,000)	(203,000)	(195,000)	(195,000)	(195,000)	(195,000)	(195,000)	106,000	106,000	212,000	(203,000)	(195,000)	(195,000)	106,000	106,000	212,000	(325,000)	(311,000)	(636,000)
001-1	0011	(2,000)	(2,000)	(4,000)	(51,000)	(49,000)	(100,000)	(21,000)	(21,000)	(21,000)	(101,000)	(97,000)	(97,000)	(97,000)	(97,000)	(97,000)	54,000	54,000	108,000	(101,000)	(97,000)	(97,000)	54,000	54,000	108,000	(177,000)	(170,000)	(347,000)
001-2	001B	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
001-2	566B	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
001-2	E61L	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
001-A	5631	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
001-A	658L	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
001-C	659L	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
001-D	558B	(2,000)	(2,000)	(4,000)	(52,000)	(49,000)	(101,000)	(21,000)	(21,000)	(21,000)	(102,000)	(98,000)	(98,000)	(98,000)	(98,000)	(98,000)	52,000	52,000	104,000	(102,000)	(98,000)	(98,000)	52,000	52,000	104,000	(49,000)	(47,000)	(96,000)
001-E	596A	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	(8,000)	(8,000)	(16,000)
Total		(4,000)	(4,000)	(8,000)	(103,000)	(98,000)	(201,000)	(42,000)	(42,000)	(42,000)	(203,000)	(195,000)	(195,000)	(195,000)	(195,000)	(195,000)	106,000	106,000	212,000	(203,000)	(195,000)	(195,000)	106,000	106,000	212,000	(325,000)	(311,000)	(636,000)

Program 070 9000-130-G022/SUMMARY				Program 080 6000-V90-H001/SUMMARY				Program 100 9000-T40-1103/SUMMARY			
FTEs		SFY06	SFY07	BIEN	SFY06	SFY07	BIEN	SFY06	SFY07	BIEN	
		(0.5)	(0.5)	(0.5)	(0.1)	(0.1)	(0.1)	(0.3)	(0.3)	(0.3)	
A		(13,000)	(13,000)	(26,000)	(2,000)	(2,000)	(4,000)	(10,000)	(10,000)	(20,000)	
B		(3,000)	(3,000)	(6,000)	0	0	0	(3,000)	(3,000)	(6,000)	
E		0	0	0	0	0	0	0	0	0	
EA		0	0	0	0	0	0	0	0	0	
EN		0	0	0	0	0	0	0	0	0	
G		0	0	0	0	0	0	0	0	0	
J		0	0	0	0	0	0	0	0	0	
TZ		0	0	0	0	0	0	0	0	0	
Total		(16,000)	(16,000)	(32,000)	(2,000)	(2,000)	(4,000)	(13,000)	(13,000)	(26,000)	
001-1	0011	(13,000)	(13,000)	(26,000)	(1,000)	(1,000)	(2,000)	(13,000)	(13,000)	(26,000)	
001-2	001B	0	0	0	0	0	0	0	0	0	
001-2	566B	0	0	0	0	0	0	0	0	0	
001-2	E61L	0	0	0	0	0	0	0	0	0	
001-A	5631	0	0	0	0	0	0	0	0	0	
001-A	658L	0	0	0	0	0	0	0	0	0	
001-A	659L	0	0	0	0	0	0	0	0	0	
001-C	19UL	(3,000)	(3,000)	(6,000)	(1,000)	(1,000)	(2,000)	0	0	0	
001-D	558B	0	0	0	0	0	0	0	0	0	
001-E	596A	0	0	0	0	0	0	0	0	0	
Total		(16,000)	(16,000)	(32,000)	(2,000)	(2,000)	(4,000)	(13,000)	(13,000)	(26,000)	

Department of Social and Health Services

**DP Code/Title: PL-DB Children Aging Out of Other Svcs**

**Program Level - 080 Medical Assistance**

Budget Period: 2005-07 Version: H1 080 2005-07 Agency Req 2 YR

**Recommendation Summary Text:**

Provide medical benefits as defined in Title XIX of the Social Security Act for youth ages 18 through 20, if they are in foster care on their 18th birthday or later.

**Fiscal Detail:**

**Operating Expenditures**

	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
<b>Program 080</b>			
001-C General Fund - Basic Account-DSHS Medicaid Federa	204,000	586,000	790,000
760-1 Health Services Account-State	205,000	586,000	791,000
<b>Total Cost</b>	<b>409,000</b>	<b>1,172,000</b>	<b>1,581,000</b>

**Staffing**

	<u>FY 1</u>	<u>FY 2</u>	<u>Annual Avg</u>
<b>Program 080 FTEs</b>	<b>1.0</b>	<b>2.0</b>	<b>1.5</b>

**Package Description:**

Currently, children up to age 19 may be eligible for Medicaid. Approximately 150 children remain in foster care up to age 21 for reasons such as finishing high school, institutionalized, etc. Once they leave foster care they are eligible for medical up to age 19 only, unless they meet categorical eligibility for other programs.

Typically these youth have significant health concerns but no insurance. Studies have shown that children in foster care suffer more frequent and more serious medical, developmental, and psychological problems than nearly any other group of children. Youth who have been in foster care may be at high risk for continuing health problems because of the circumstances that brought them into foster care, as well as the on-going instability of their lives.

The Foster Care Independence Act of 1999 (P. L. 106-169), also called the Chafee Act, established new options for children leaving foster care at age 18. It expands services to help older youth who are leaving foster care prepare for adulthood. States are allowed to continue Medicaid benefits through age 20.

This proposal is to continue Medicaid benefits for foster children through age 20 for those who leave foster care on their 18th birthday or later. This will help support the health of these youth who struggle to find employment and the means to pay for health care, if the employer does not provide coverage.

**Narrative Justification and Impact Statement**

***How contributes to strategic plan:***

The mission of the Department of Social and Health Services (DSHS) states that "We will help people achieve safe, self-sufficient, healthy and secure lives". Providing health coverage for high-risk youth helps the department meet that goal.

The DSHS Strategic Plan includes seven priorities. The first is improving client health and safety. Providing health coverage for high-risk youth helps meet that goal.

**Performance Measures:**

- Prudent Purchaser of Health Care Services
- Evidence-based Medicine

## Department of Social and Health Services

**DP Code/Title: PL-DB Children Aging Out of Other Svcs****Program Level - 080 Medical Assistance**

Budget Period: 2005-07    Version: H1 080 2005-07 Agency Req 2 YR

***Performance Measure Detail*****Program: 080****Activity: H001    Administrative Costs**

No measures linked to package

**Incremental Changes****FY 1****FY 2**

0.00

0.00

**Activity: H057    Medicaid for Optional Children**

No measures linked to package

**Incremental Changes****FY 1****FY 2**

0.00

0.00

***Reason for change:***

Youth leaving foster care at 18 often have few skills or supports. Typically this group of children has more health care problems than any other group of children. These children have high levels of: unemployment, mental illness, school failure, teen pregnancy, homelessness, and being victims or perpetrators of crimes.

***Impact on clients and services:***

Extending medical coverage to the children who are in foster care when they turn 18 or later will give more support to youth who are high-risk. They usually find entry-level jobs (if they find jobs at all). Many employers are no longer offering health care coverage. The additional health coverage will give these foster children time to find jobs that offer health coverage or higher paying jobs so they will be able to purchase their own health coverage.

***Impact on other state programs:***

None

***Relationship to capital budget:***

Not applicable

***Required changes to existing RCW, WAC, contract, or plan:***

Add specific authorization to RCW 74.09.510 to provide Medicaid to the targeted former foster care youth.

***Alternatives explored by agency:***

This is the only alternative that seemed to give some support to the high-risk youth.

***Budget impacts in future biennia:***

The caseload will increase by approximately 20 clients per month, starting July 1, 2005, and the maximum additional new cases will be around 526 by June 2007. After June 2007, the caseload is not anticipated to grow significantly.

***Distinction between one-time and ongoing costs:***

One-time costs for equipment only.

***Effects of non-funding:***

These high-risk youth may be unable to find jobs and therefore unable to get the health care they need. Some may even end up in jail if they are unable to get medication and may be a drain on society instead of a productive member.

***Expenditure Calculations and Assumptions:***

Department of Social and Health Services

DP Code/Title: PL-DB Children Aging Out of Other Svcs

Program Level - 080 Medical Assistance

Budget Period: 2005-07 Version: H1 080 2005-07 Agency Req 2 YR

The caseload will increase by approximately 20 clients per month, starting July 1, 2005, and the maximum additional new cases will be around 526 by June 2007. After June 2007, the caseload is not anticipated to grow significantly.

Costs per client are based on the ratio of current expenditures per eligible for 18-year-olds in foster care to average per capita costs for Categorically Needy (CN)-Other Children. It's assumed that the per capita costs, both medical and Regional Support Network (RSN), for children will grow at a rate of approximately 3.5 percent per year.

The Medical Eligibility Determination Section will need one MAS3 worker for State Fiscal Year 2006 and State Fiscal Year 2007, and one additional clerical person in State Fiscal Year 2007.

See attachment - MAA PL-DB Children Aging Out of Foster Care.xls

<u>Object Detail</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
<b>Program 080 Objects</b>			
A Salaries And Wages	39,000	69,000	108,000
B Employee Benefits	11,000	21,000	32,000
E Goods And Services	12,000	24,000	36,000
J Capital Outlays	8,000	8,000	16,000
N Grants, Benefits & Client Services	338,000	1,048,000	1,386,000
T Intra-Agency Reimbursements	1,000	2,000	3,000
<b>Total Objects</b>	<b>409,000</b>	<b>1,172,000</b>	<b>1,581,000</b>

**DSHS Source Code Detail**

<u>Program 080</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
<b>Fund 001-C, General Fund - Basic Account-DSHS Medicaid Federa</b>			
<b><u>Sources Title</u></b>			
19TA Title XIX Assistance (FMAP)	169,000	524,000	693,000
19UL Title XIX Admin (50%)	35,000	62,000	97,000
<b>Total for Fund 001-C</b>	<b>204,000</b>	<b>586,000</b>	<b>790,000</b>
<b>Fund 760-1, Health Services Account-State</b>			
<b><u>Sources Title</u></b>			
7601 Health Services Account	205,000	586,000	791,000
<b>Total for Fund 760-1</b>	<b>205,000</b>	<b>586,000</b>	<b>791,000</b>
<b>Total Program 080</b>	<b>409,000</b>	<b>1,172,000</b>	<b>1,581,000</b>

2005-07 Biennium  
PL-DB Children Aging out of Services

**Impact of Foster Care Expansion**

**Program Impacts**

	MAA			MHD		
	SFY06	SFY07	Biennium	SFY06	SFY07	Biennium
Total	\$ 338,000	\$ 1,048,000	\$ 1,386,000	\$ 18,000	\$ 57,000	\$ 75,000
TXIX	\$ 169,000	\$ 524,000	\$ 693,000	\$ 9,000	\$ 28,000	\$ 37,000

**Administrative Impacts**

	MAA			MHD		
	SFY06	SFY07	Biennium	SFY06	SFY07	Biennium
Salaries	39,000	69,000	108,000			
Benefits	11,000	21,000	32,000			
Goods & Services	12,000	24,000	36,000			
Equipment	8,000	8,000	16,000			
Travel	-	-	-			
ISSD:TZ	1,000	2,000	3,000			
Total	\$ 71,000	\$ 124,000	\$ 195,000	\$ -	\$ -	\$ -
TXIX	\$ 35,000	\$ 62,000	\$ 97,000	\$ -	\$ -	\$ -

**Total Impact**

	MAA			MHD		
	SFY06	SFY07	Biennium	SFY06	SFY07	Biennium
Total	\$ 409,000	\$ 1,172,000	\$ 1,581,000	\$ 18,000	\$ 57,000	\$ 75,000
TXIX	\$ 204,000	\$ 586,000	\$ 790,000	\$ 9,000	\$ 28,000	\$ 37,000



2005-07 Biennium  
PL-DB Children Aging out of Services

MAA Costs			
	Caseload	Per Cap	Cost/Mo
Jul-05	20	\$ 213.16	\$ 4,263.12
Aug-05	40	\$ 213.16	\$ 8,526.23
Sep-05	60	\$ 213.16	\$ 12,789.35
Oct-05	80	\$ 213.16	\$ 17,052.47
Nov-05	100	\$ 213.16	\$ 21,315.58
Dec-05	120	\$ 213.16	\$ 25,578.70
Jan-06	141	\$ 213.16	\$ 30,054.97
Feb-06	162	\$ 213.16	\$ 34,531.24
Mar-06	183	\$ 213.16	\$ 39,007.51
Apr-06	204	\$ 213.16	\$ 43,483.79
May-06	226	\$ 213.16	\$ 48,173.21
Jun-06	248	\$ 213.16	\$ 52,862.64
Jul-06	270	\$ 220.62	\$ 59,566.39
Aug-06	292	\$ 220.62	\$ 64,419.95
Sep-06	314	\$ 220.62	\$ 69,273.51
Oct-06	337	\$ 220.62	\$ 74,347.68
Nov-06	360	\$ 220.62	\$ 79,421.86
Dec-06	383	\$ 220.62	\$ 84,496.03
Jan-07	406	\$ 220.62	\$ 89,570.20
Feb-07	430	\$ 220.62	\$ 94,864.99
Mar-07	454	\$ 220.62	\$ 100,159.79
Apr-07	478	\$ 220.62	\$ 105,454.58
May-07	502	\$ 220.62	\$ 110,749.37
Jun-07	526	\$ 220.62	\$ 116,044.16

	Totals	Fed TXIX
SFY06	\$ 337,638.81	\$ 168,819.40
SFY07	\$ 1,048,368.50	\$ 524,184.25

MHD Costs			
	Caseload	RSN Per Cap	Cost/Mo
Jan-00	20	\$ 11.60	\$ 232.05
Jan-00	40	\$ 11.60	\$ 464.09
Jan-00	60	\$ 11.60	\$ 696.14
Jan-00	80	\$ 11.60	\$ 928.19
Jan-00	100	\$ 11.60	\$ 1,160.24
Jan-00	120	\$ 11.60	\$ 1,392.28
Jan-00	141	\$ 11.60	\$ 1,635.93
Jan-00	162	\$ 11.60	\$ 1,879.58
Jan-00	183	\$ 11.60	\$ 2,123.23
Jan-00	204	\$ 11.60	\$ 2,366.88
Jan-00	226	\$ 11.60	\$ 2,622.13
Jan-00	248	\$ 11.60	\$ 2,877.38
Jan-00	270	\$ 12.01	\$ 3,242.28
Jan-00	292	\$ 12.01	\$ 3,506.46
Jan-00	314	\$ 12.01	\$ 3,770.65
Jan-00	337	\$ 12.01	\$ 4,046.84
Jan-00	360	\$ 12.01	\$ 4,323.04
Jan-00	383	\$ 12.01	\$ 4,599.23
Jan-00	406	\$ 12.01	\$ 4,875.42
Jan-00	430	\$ 12.01	\$ 5,183.63
Jan-00	454	\$ 12.01	\$ 5,451.83
Jan-00	478	\$ 12.01	\$ 5,740.03
Jan-00	502	\$ 12.01	\$ 6,028.23
Jan-00	526	\$ 12.01	\$ 6,316.44

	Totals	Fed TXIX
SFY06	\$ 18,378.12	\$ 9,189.06
SFY07	\$ 57,064.07	\$ 28,532.04

Total Program Costs	
	Cost/Mo
Jan-00	\$ 4,495.16
Jan-00	\$ 8,990.33
Jan-00	\$ 13,485.49
Jan-00	\$ 17,980.65
Jan-00	\$ 22,475.82
Jan-00	\$ 26,970.98
Jan-00	\$ 31,690.90
Jan-00	\$ 36,410.82
Jan-00	\$ 41,130.74
Jan-00	\$ 45,850.67
Jan-00	\$ 50,795.34
Jan-00	\$ 55,740.02
Jan-00	\$ 62,808.67
Jan-00	\$ 67,926.41
Jan-00	\$ 73,044.16
Jan-00	\$ 78,394.52
Jan-00	\$ 83,744.89
Jan-00	\$ 89,095.26
Jan-00	\$ 94,445.63
Jan-00	\$ 100,028.62
Jan-00	\$ 105,611.61
Jan-00	\$ 111,194.61
Jan-00	\$ 116,777.60
Jan-00	\$ 122,360.59

	Totals	Fed TXIX
	\$ 356,016.93	\$ 178,008.47
	\$ 1,105,432.57	\$ 552,716.28

RSN Rate is \$11.21 for SFY05. Assume 3.5% growth

2005-07 Biennium  
PL-DB Children Aging out of Services

Foster Care Kids - 18 year-olds only  
Expenditures from MMIS

Paid	Year	Mo
54,329.95	2001	7
103,939.68	2001	8
46,866.31	2001	9
94,357.33	2001	10
67,227.06	2001	11
25,228.67	2001	12
28,952.83	2002	1
44,286.23	2002	2
39,970.56	2002	3
46,942.96	2002	4
Eligibles FY Total	2002	5
290 659,675.59	2002	6
\$ 189.56 Per Cap	2002	7
	2002	8
	2002	9
	2002	10
	2002	11
	2002	12
	2003	1
	2003	2
	2003	3
	2003	4
Eligibles FY Total	2003	5
302 688,087.61	2003	6
\$ 189.87 Per Cap	2003	7
	2003	8
	2003	9
	2003	10
	2003	11
	2003	12
	2004	1
	2004	2
	2004	3
	2004	4
Eligibles FY Total	2004	5
295 737,822.47	2004	6
\$ 208.42 Per Cap		

	From 10/03 FC			Forecast plus 7%	
Actuals	Forecasted	Forecasted	Forecasted	Estimated	Estimated
FY02	FY03	FY04	FY05	FY06	FY07

CN-Other Kids	\$ 112.62	\$ 116.58	\$ 127.91	\$ 126.39	\$ 130.81	\$ 135.39
Foster Care Kids	\$ 189.56	\$ 189.87	\$ 208.42		\$ 213.16	\$ 220.62
Percent of CN-O	168.3%	162.9%	162.9%			

2005-07 Biennium  
PL-DB Children Aging out of Services

MAS 3		Secretary Senior		Total Admin			
1st Year	2nd Year	1st Year	2nd Year	1st Year	2nd Year	05-07 Bien	
FTEs	1	1	0	1	1	2	1.5

Objects Summary

A	Salaries	39,000	39,000	-	30,000	39,000	69,000	108,000
B	Benefits	11,000	11,000	-	10,000	11,000	21,000	32,000
E	Goods & Services	12,000	12,000	-	12,000	12,000	24,000	36,000
J	Equipment	8,000	-	-	8,000	8,000	8,000	16,000
G	Travel	-	-	-	-	-	-	-
T	ISSD:TZ	1,000	1,000	-	1,000	1,000	2,000	3,000

Total Objects	71,000	63,000	-	61,000	71,000	124,000	195,000
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Funds Summary

Fund	DSHS Source	% of Total						
001-1	0011	0.5	36,000	32,000	-	30,000	36,000	98,000
001-C	19TA	0.5	35,000	31,000	-	31,000	35,000	97,000
Total Funds			71,000	63,000	-	61,000	71,000	195,000

ASSUMPTIONS	
Caseload (Trend Factor - 12 month (6-03 / 5-04) average (see "Foster Care Caseload Data" Worksheet))	0.9%
Ratio of Foster Care children age 19 to age 18. This ratio is used to account for Foster Care children age 19 and older who remain in Medicaid (WAC388-505-02101(4)) - 12 month (6-03 / 5-04) average (see "Foster Care Caseload Data" Worksheet)	34%
Monthly exit factor due to leaving Medicaid for reasons other than aging out of the program.	0
CASELOAD ESTIMATES	
SFY 2006	132
SFY 2007	396

Month	Age 18	Adjust for Existing FC Continuances	Age 18 Year Old Foster Care Children Who Lose Eligibility	Children age 19 and 20 who are no longer eligible for Foster Care coverage and who continue to receive Medicaid coverage																						Total Monthly Cohort
May-04	315	96%	207																							
Jun-04	318	96%	209																							
Jul-04	321	96%	211																							
Aug-04	324	96%	213																							
Sep-04	327	96%	215																							
Oct-04	330	96%	217																							
Nov-04	333	96%	219																							
Dec-04	336	96%	221																							
Jan-05	339	96%	223																							
Feb-05	342	96%	225																							
Mar-05	345	96%	227																							
Apr-05	348	96%	229																							
May-05	351	96%	231																							
Jun-05	354	96%	233																							
Jul-05	357	96%	235	20																						20
Aug-05	360	96%	237	20	20																					40
Sep-05	363	96%	239	20	20	20																				60
Oct-05	366	96%	241	20	20	20	20																			80
Nov-05	369	96%	243	20	20	20	20	20																		100
Dec-05	372	96%	245	20	20	20	20	20	20																	120
Jan-06	375	96%	248	20	20	20	20	20	20	21																141
Feb-06	380	96%	250	20	20	20	20	20	20	21	21															162
Mar-06	384	96%	253	20	20	20	20	20	20	21	21	21														183
Apr-06	388	96%	255	20	20	20	20	20	20	21	21	21	21													204
May-06	392	96%	258	20	20	20	20	20	20	21	21	21	21	22												226
Jun-06	396	96%	261	20	20	20	20	20	20	21	21	21	21	22	22											248
Jul-06	400	96%	263	20	20	20	20	20	20	21	21	21	21	22	22	22										270
Aug-06	404	96%	266	20	20	20	20	20	20	21	21	21	21	22	22	22	22									292
Sep-06	408	96%	269	20	20	20	20	20	20	21	21	21	21	22	22	22	22	22								314
Oct-06	412	96%	271	20	20	20	20	20	20	21	21	21	21	22	22	22	22	22	23							337
Nov-06	416	96%	274	20	20	20	20	20	20	21	21	21	21	22	22	22	22	22	23	23						360
Dec-06	420	96%	276	20	20	20	20	20	20	21	21	21	21	22	22	22	22	22	23	23	23					383
Jan-07	424	96%	279	20	20	20	20	20	20	21	21	21	21	22	22	22	22	22	23	23	23	23				406
Feb-07	428	96%	282	20	20	20	20	20	20	21	21	21	21	22	22	22	22	22	23	23	23	23	24			430
Mar-07	432	96%	284	20	20	20	20	20	20	21	21	21	21	22	22	22	22	22	23	23	23	23	24	24		454
Apr-07	436	96%	287	20	20	20	20	20	20	21	21	21	21	22	22	22	22	22	23	23	23	23	24	24	24	478
May-07	440	96%	290	20	20	20	20	20	20	21	21	21	21	22	22	22	22	22	23	23	23	23	24	24	24	502
Jun-07	444	96%	292	20	20	20	20	20	20	21	21	21	21	22	22	22	22	22	23	23	23	23	24	24	24	526
SFY 2006																										132
SFY 2007																										396

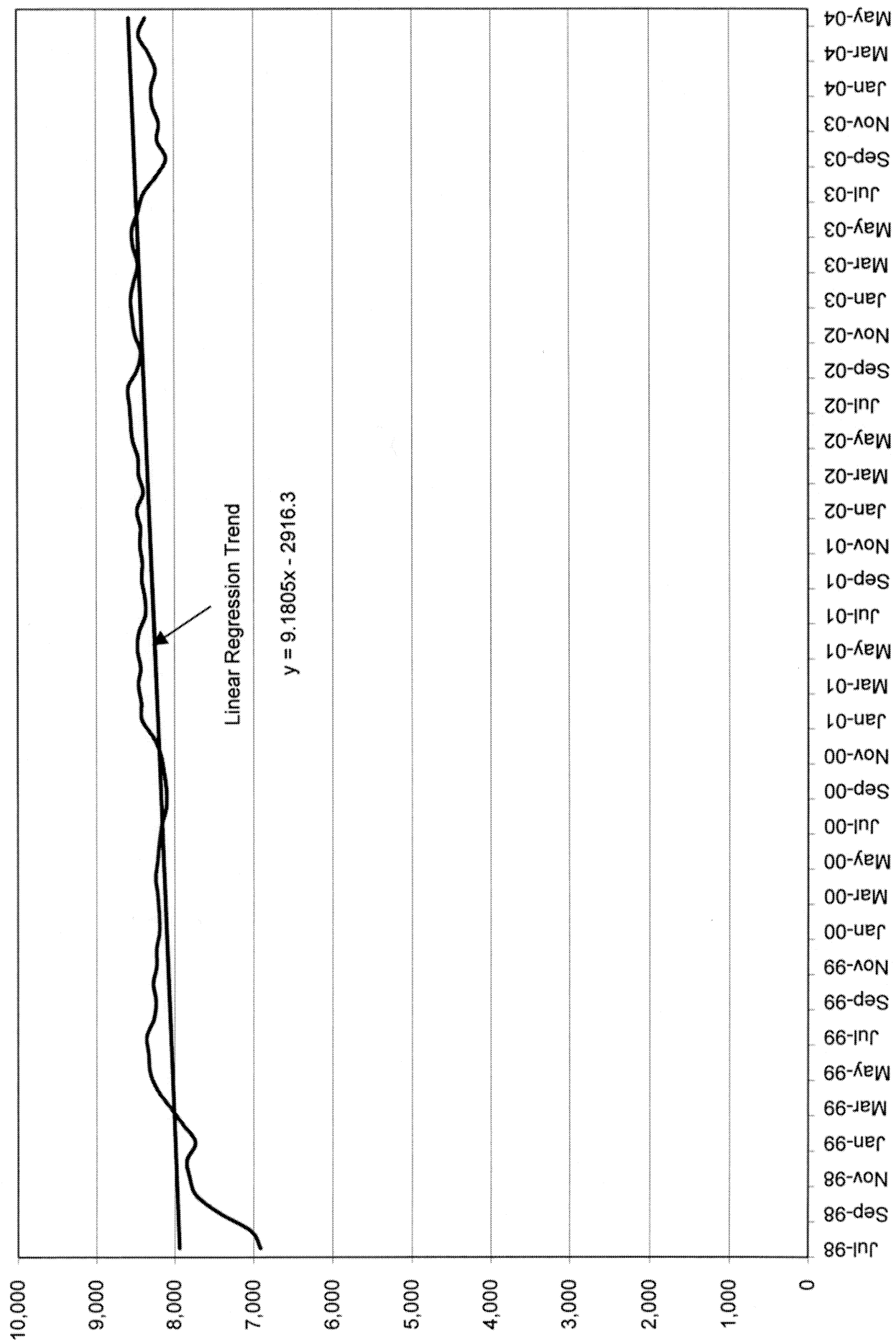
2005-07 Biennium  
PL-DB Children Aging out of Services

Medical Assistance Administration  
Division of Policy & Analysis  
Jul-04

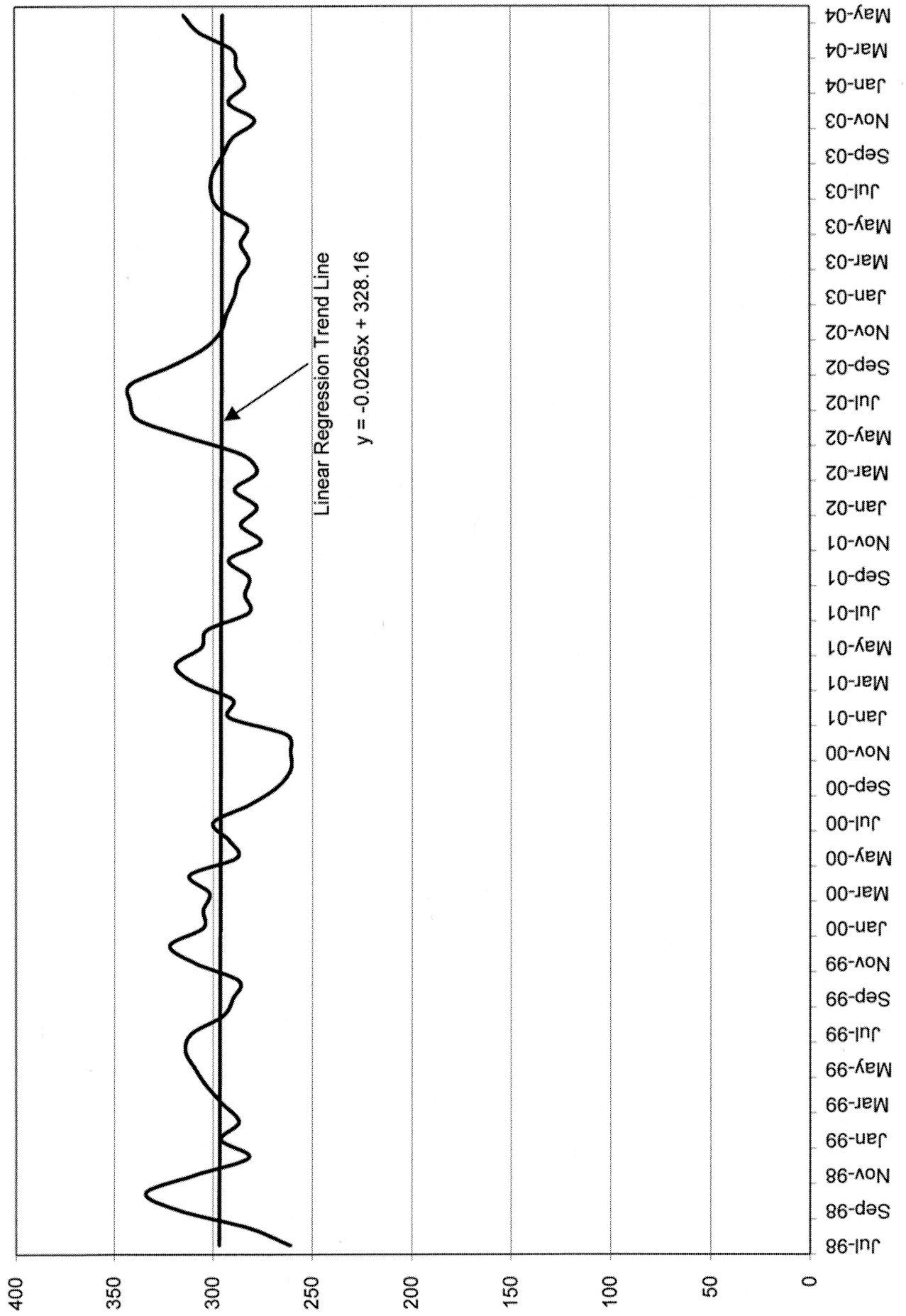
Counts of Kids in Foster Care by Age  
From MMS: Allergy

MO/yr	Age																					Unknown	Totals		
	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20				
Jul-98	348	364	347	277	332	297	295	349	325	343	335	313	373	380	410	435	479	513	261	104	30	1	0	6,509	
Aug-98	370	366	350	296	319	303	314	348	336	350	359	328	306	362	418	437	484	495	282	38	32	1	0	7,032	
Sep-98	322	383	344	333	312	324	334	377	337	385	374	332	377	407	453	488	528	517	522	35	2	0	0	7,426	
Oct-98	329	399	378	374	354	328	348	380	355	397	378	356	409	439	456	483	516	503	534	317	41	2	0	7,772	
Nov-98	472	328	425	347	345	333	345	388	368	410	386	382	412	453	464	475	511	513	526	514	37	4	0	7,866	
Dec-98	375	403	406	332	346	340	364	405	374	406	396	384	423	467	443	486	496	541	583	516	39	1	0	7,844	
Jan-99	340	368	405	336	325	355	361	371	397	365	389	384	418	473	442	482	507	518	536	511	39	0	7,736	0	
Feb-99	329	392	413	336	335	347	399	401	401	401	402	392	403	421	495	451	485	513	536	582	120	37	1	0	7,889
Mar-99	387	403	427	348	324	356	361	406	406	406	399	417	507	495	494	535	544	565	573	531	33	6	0	8,007	
Apr-99	403	420	441	369	348	359	368	401	409	410	421	408	414	516	482	505	536	540	503	522	35	3	0	8,223	
May-99	367	458	444	393	352	364	396	396	401	421	399	450	427	399	525	491	526	517	543	509	115	33	0	8,313	
Jun-99	365	461	439	413	331	364	364	387	425	395	450	427	414	530	495	526	527	528	514	510	35	1	0	8,333	
Jul-99	399	478	418	406	330	355	377	370	436	414	436	420	409	541	502	538	528	539	511	504	36	0	8,354	0	
Aug-99	385	465	405	412	330	346	369	358	436	418	417	434	414	503	533	533	529	532	550	513	36	2	0	8,395	
Sep-99	381	463	404	409	337	338	369	359	437	413	414	426	422	472	534	531	536	521	580	511	39	2	0	8,540	
Oct-99	399	452	384	419	354	336	374	344	433	427	429	432	496	492	537	530	549	549	537	503	39	4	0	8,575	
Nov-99	400	439	385	421	345	379	360	380	410	430	431	428	431	496	544	524	554	520	509	495	32	5	0	8,728	
Dec-99	417	436	393	422	339	318	369	350	414	440	422	434	430	463	547	495	562	502	522	501	32	2	0	8,729	
Jan-00	389	440	383	423	336	312	369	350	405	440	413	449	421	457	555	529	574	555	525	508	37	2	0	8,749	
Feb-00	410	433	409	411	345	306	371	332	419	430	415	426	449	440	547	520	571	533	505	502	42	2	0	8,775	
Mar-00	407	433	412	417	341	309	360	342	414	430	400	437	451	447	554	514	582	509	503	506	42	2	0	8,718	
Apr-00	407	438	417	406	389	317	352	348	405	429	409	438	448	441	546	511	587	497	512	512	48	4	0	8,841	
May-00	417	435	423	403	375	332	363	349	399	437	426	452	459	471	559	513	586	496	505	519	38	1	0	8,718	
Jun-00	398	453	397	390	386	306	357	342	391	420	411	450	448	431	544	523	567	511	522	527	36	2	0	8,795	
Jul-00	402	453	392	380	355	307	347	359	390	424	413	441	426	507	534	550	510	500	533	503	33	2	0	8,763	
Aug-00	401	444	394	418	385	306	339	353	337	412	407	445	445	533	548	557	538	522	581	522	41	2	0	8,768	
Sep-00	393	467	413	397	380	337	340	341	429	404	448	450	453	516	564	524	516	565	571	521	41	2	0	8,701	
Oct-00	387	487	402	365	384	315	323	350	330	434	417	448	453	538	526	548	524	561	518	513	43	5	0	8,731	
Nov-00	390	475	410	354	395	311	313	361	347	417	418	446	452	487	506	511	547	525	561	526	41	4	0	8,771	
Dec-00	388	495	404	358	395	320	380	366	351	420	424	452	449	489	508	517	531	546	563	524	44	3	0	8,764	
Jan-01	413	499	404	367	401	328	310	374	368	406	441	453	473	465	514	508	553	509	522	515	45	4	0	8,714	
Feb-01	423	491	402	375	395	338	392	362	368	415	441	459	465	499	503	511	558	553	580	527	47	5	0	8,722	
Mar-01	423	496	405	386	358	353	384	371	364	410	447	449	469	492	499	503	559	560	510	536	53	2	0	8,749	
Apr-01	422	503	406	368	367	356	377	361	367	404	449	454	471	492	491	513	567	519	520	546	43	0	8,740	0	
May-01	414	509	407	374	375	362	388	356	378	400	450	458	491	506	476	511	544	585	506	516	84	1	0	8,712	
Jun-01	408	492	407	369	372	371	381	362	371	405	437	449	501	501	490	510	569	567	503	518	56	3	0	8,754	
Jul-01	418	472	402	364	365	363	385	345	368	437	442	483	492	490	518	520	566	532	525	59	2	0	8,730	0	
Aug-01	435	488	418	375	365	363	393	372	329	368	395	430	432	473	496	517	583	569	580	584	56	54	8	0	8,737
Sep-01	454	490	425	386	358	389	324	341	358	359	426	436	473	498	521	570	580	583	582	53	52	3	0	8,715	
Oct-01	464	481	444	381	360	368	340	308	373	348	437	444	467	513	499	571	595	584	582	77	47	4	0	8,706	
Nov-01	478	487	433	385	365	383	317	299	375	347	440	448	470	519	514	563	612	592	576	70	52	6	0	8,740	
Dec-01	468	485	448	370	369	389	340	300	392	352	431	457	458	504	516	576	606	580	586	76	49	5	0	8,730	
Jan-02	476	497	441	366	360	372	344	302	358	357	421	461	497	523	509	567	618	563	578	114	47	7	0	8,776	
Feb-02	469	491	424	357	351	367	342	352	351	351	419	461	493	519	522	551	588	586	589	115	55	4	0	8,785	
Mar-02	477	483	441	352	361	367	359	344	367	390	437	467	492	506	530	548	618	564	578	114	45	9	0	8,795	
Apr-02	479	482	428	375	345	355	350	359	353	362	437	478	479	531	533	545	611	576	585	119	45	4	0	8,764	
May-02	484	491	432	375	360	352	363	399	346	367	426	474	480	542	534	545	621	573	573	106	45	4	0	8,734	
Jun-02	492	503	433	387	354	345	358	391	341	375	410	470	493	532	531	562	633	541	538	109	41	6	0	8,763	
Jul-02	494	509	407	407	358	341	352	308	341	379	399	460	479	527	533	554	648	580	542	102	38	5	0	8,770	
Aug-02	501	511	423	403	376	343	376	341	348	358	391	459	495	512	551	550	626	605	542	104	34	6	0	8,767	
Sep-02	478	504	425	399	374	332	349	327	353	351	378	467	498	524	548	547	586	580	524	127	33	5	0	8,773	
Oct-02	470	530	417	409	386	326	342	310	324	364	373	490	471	517	546	542	603	605	565	116	31	4	0	8,764	
Nov-02	473	527	427	385	365	328	361	312	318	360	377	458	487	517	545	567	597	615	596	109	31	3	0	8,701	
Dec-02	461	529	428	405	367	341	367	330	358	372	384	456	492	523	567	560	609	612	593	104	32	3	0	8,732	
Jan-03	446	529	447	398	373	345	385	341	313	371	388	447	485	526	578	548	594	601	595	98	34	1	0	8,753	
Feb-03	434	546	446	383	383	337	374	335	312	366	384	405	475	520	560	560	595	591	587	99	58	5	0	8,752	
Mar-03	433	544	428	375	372	343	366	335	293	366	387	458	475	521	555	575	595	587	582	110	56	1	0	8,762	
Apr-03	438	559	417	362	398	331																			

## Medicaid Foster Children's Total Caseload



# MEDICAID FOSTER CHILDREN AGE 18



2005-07 Biennium  
PL-DB Children Aging out of Services

MEDICAID NON-GRANT CHILDREN'S ELIGIBLES - MAY 2004									
Program Categories	Adults			Children			Total		
	FFS Eligible	Managed Care*	Total Eligible	FFS Eligible	Managed Care*	Total Eligible	FFS Eligible	Managed Care*	Total Eligible
CN Other Children - Mandatory			0	39,476	133,597	173,073	39,476	133,597	173,073
CN Other Children - Optional			0	27,489	95,832	123,321	27,489	95,832	123,321
CN Adoption Support			0	8,657		8,657	8,657		8,657
CN Foster Care				8,367		8,367	8,367		8,367
Total Non-Grant Medicaid Children				75,622	229,429	305,051	75,622	229,429	305,051
Total HO Enrollment		82,999			387,026			470,025	
NOTES:									
(1) * Managed Care includes PCCM as well as capitated. Counts shown slightly vary from "Managed Care Enrollment Report" as supplemental spans are included.									
(2) Children = under age 19.									
(3) Special Low-Income Beneficiaries (SLMB) includes regular and expanded Aged, Blind and Disabled individuals for whom MAA pays only Medicare premiums.									
(4) Foster Care children's caseload is from special run (see worksheet titled Foster Care Caseload).									

Foster Children As Percent of Total Children	2.7%
Foster Children As Percent of HO Enrollees	1.8%



2005-07 Biennium  
PL-DB Children Aging out of Services

State of Washington  
Department of Social and Health Services  
Medical Assistance Administration  
July, 2004

MEDICAL ASSISTANCE ELIGIBLE PERSONS - MAY 2004									
Program Categories	Adults			Children			Total		
	FFS Eligible	Managed Care*	Total Eligible	FFS Eligible	Managed Care*	Total Eligible	FFS Eligible	Managed Care*	Total Eligible
CN TANF	28,644	74,361	103,005	34,425	149,584	184,009	63,069	223,945	287,014
CN Aged	58,516		58,516			0	58,516		58,516
CN Blind/Disabled	108,059		108,059	15,962		15,962	124,021		124,021
CN Pregnant Women	8,460	8,638	17,098	830	616	1,446	9,290	9,254	18,544
CN Family Planning Only	23,470		23,470	1,070		1,070	24,540		24,540
CN Take Charge Family Planning	66,895		66,895	17,024		17,024	83,919		83,919
CN Breast & Cervical Cancer	216		216			0	216		216
CN Health Care for Workers with Disabilities	334		334			0	334		334
CN Other Children - Mandatory			0	39,476	133,597	173,073	39,476	133,597	173,073
CN Other Children - Optional			0	27,489	95,832	123,321	27,489	95,832	123,321
CN Foster Care/Adoption Support			0	16,978		16,978	16,978		16,978
Title XXI - Unborn	7,074		7,074	540		540	7,614		7,614
SCHIP	0		0	2,945	7,368	10,313	2,945	7,368	10,313
MN Aged	6,357		6,357			0	6,357		6,357
MN Blind/Disabled	9,752		9,752	2		2	9,754		9,754
Special Low-Income Medicare Only (SLMB)	8,342		8,342			0	8,342		8,342
MN Other	37		37	248		248	285		285
MCS GAU	10,033		10,033	27	29	56	10,060	29	10,089
MCS ADATSA	4,215		4,215	15		15	4,230		4,230
Psychiatric Indigent Inpatient (Formerly MI)	146		146	2		2	148		148
Refugees	793		793	61		61	854		854
<b>TOTAL MAA</b>	<b>341,343</b>	<b>82,999</b>	<b>424,342</b>	<b>157,094</b>	<b>387,026</b>	<b>544,120</b>	<b>498,437</b>	<b>470,025</b>	<b>968,462</b>
NOTES:									
(1) * Managed Care includes PCCM as well as capitated. Counts shown slightly vary from "Managed Care Enrollment Report" as supplemental spans are included.									
(2) Children = under age 19.									
(3) Special Low-Income Beneficiaries (SLMB) includes regular and expanded Aged, Blind and Disabled individuals for whom MAA pays only Medicare premiums.									

Department of Social and Health Services

**DP Code/Title: PL-HH IGT Design**  
**Program Level - 080 Medical Assistance**

Budget Period: 2005-07    Version: H1 080 2005-07 Agency Req 2 YR

**Recommendation Summary Text:**

The Centers for Medicare and Medicaid Services (CMS) have notified Washington State that the Intergovernmental Transfer structure (IGT) will no longer be approved. This decision package is intended to propose a new methodology for maintaining revenue from Upper Payment Limit (UPL) and Disproportionate Share Hospital (DSH) funding while satisfying the requirements of CMS.

**Fiscal Detail:**

**Operating Expenditures**

	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Program 080			
760-1 Health Services Account-State	2,700,000	2,700,000	5,400,000
<b>Total Cost</b>	<b>2,700,000</b>	<b>2,700,000</b>	<b>5,400,000</b>

**Staffing**

**Package Description:**

Currently, Washington operates IGT and UPL programs that generate approximately \$82 million per year for health care services. Of this amount, approximately \$17 million is revenue to the Health Services Account (HSA) and \$65 million pays for Medical Assistance health care services.

IGT and UPL programs that generate revenue generally involve providing a payment to public hospitals. The hospital immediately pays the amount back to the state, generating federal matching funds on the payment. The revenue received is classified as general revenue, available for spending as directed by the state budget. In Washington, these amounts have been spent on health care payments for low income persons and Basic Health enrollees. This structure has been in place for over three biennia.

In the Spring of 2004, CMS notified Washington that IGT and UPL programs that generate revenue for states would no longer be approved for operation. Washington can phase out these programs, but they must be eliminated by July 1, 2005. The impact of the elimination of IGT and UPL programs would mean the loss of all related revenue for Washington, but it also means that a significant amount of DSH and UPL funding is freed up for use in another manner, as long as the use is approved by CMS. Additionally, CMS has indicated that the use of locally generated revenue at health facilities with taxing authority is available for use to draw federal matching funds, including Medicaid and DSH.

Using the above factors, a new structure for generating health care revenue has been developed. The new structure would affect Public Health Hospitals that are not certified as Critical Access, Harborview Hospital and the University of Washington Hospital. For these hospitals, the structure would work as follows:

1. Medical Assistance Administration (MAA) would pay only the federal match portion of all inpatient claims submitted by the hospital for processing. The related (and required) state portion of the payment would be tracked and the total amount tallied.
2. MAA would create a new DSH program with the freed up DSH funds, paying the hospitals listed above according to their Medicaid shortfall of funding provided through claims payments.
3. MAA would create new UPL programs for the hospitals listed above, paying out as much revenue as is available under the UPL for each hospital.
4. Each hospital would certify that allowable local funds are available for use as the state portion of the payment made for Medicaid services, DSH payments and UPL payments.

This structure must be approved by CMS before it can be implemented. Additionally, mechanisms for paying claims, tracking

Department of Social and Health Services

**DP Code/Title: PL-HH IGT Design**  
**Program Level - 080 Medical Assistance**

Budget Period: 2005-07 Version: H1 080 2005-07 Agency Req 2 YR

the required state portion and reconciling certified funds to required state funds must be developed and implemented at MAA before the program can begin. It is expected that these activities can be completed before the program would begin at July 1, 2005.

**Narrative Justification and Impact Statement**

***How contributes to strategic plan:***

Performance Measures:

-Prudent Purchaser of Health Care Services

***Performance Measure Detail***

**Program: 080**

**Activity: H023 Disproportionate Share Hospital/Proshare**

No measures linked to package

**Incremental Changes**

<b><u>FY 1</u></b>	<b><u>FY 2</u></b>
0.00	0.00

***Reason for change:***

This change is mandated by CMS.

***Impact on clients and services:***

If the new proposal is accepted by CMS and other stakeholders, and if it is successfully implemented, there is likely to be no impact on clients or services. If the new proposal is not successfully implemented, the state's health care funding will be reduced by approximately \$82 million per year. This will cause a significant reduction in health care spending, requiring cuts to health care programs.

***Impact on other state programs:***

See the item above. If the new proposal is not successfully implemented, other programs could incur reductions to make up for the loss of revenue to the State.

***Relationship to capital budget:***

None

***Required changes to existing RCW, WAC, contract, or plan:***

This item requires significant changes to the state plan. In addition, contracts with public hospitals must be updated and changed to reflect new payment methodologies.

***Alternatives explored by agency:***

The state could attempt to retain the IGT/UPL structure. This has been explored with consultants familiar with the federal environment and it is generally accepted that it would not be successful. The State could accept the loss of revenue involved in eliminating the IGT/UPL structure. The impact of this option is too significant, causing too much damage to the state's health care system.

***Budget impacts in future biennia:***

Ongoing

Department of Social and Health Services

**DP Code/Title: PL-HH IGT Design**  
**Program Level - 080 Medical Assistance**

Budget Period: 2005-07    Version: H1 080 2005-07 Agency Req 2 YR

*Distinction between one-time and ongoing costs:*

Ongoing

*Effects of non-funding:*

See impacts above.

*Expenditure Calculations and Assumptions:*

Total impact is \$2.7 million per fiscal year, all HSA, object N, budget unit X54.

See attachment - MAA-PL HH IGT Design.xls

**Object Detail**

	<b><u>FY 1</u></b>	<b><u>FY 2</u></b>	<b><u>Total</u></b>
Program 080 Objects			
N Grants, Benefits & Client Services	2,700,000	2,700,000	5,400,000

**DSHS Source Code Detail**

	<b><u>FY 1</u></b>	<b><u>FY 2</u></b>	<b><u>Total</u></b>
Program 080			
Fund 760-1, Health Services Account-State			
<b><u>Sources Title</u></b>			
7601 Health Services Account	2,700,000	2,700,000	5,400,000
<i>Total for Fund 760-1</i>	<b>2,700,000</b>	<b>2,700,000</b>	<b>5,400,000</b>
<b>Total Program 080</b>	<b>2,700,000</b>	<b>2,700,000</b>	<b>5,400,000</b>

SCHEDULE 2E - COSTS INFLATED TO STATE FISCAL YEAR 2006

# CERTIFICATION MODEL ASSUMES PAYMENT SYSTEM CHANGES FOR CERTAIN PUBLIC HOSPITALS

PAYMENTS TO THOSE HOSPITALS ARE ADJUSTED AS NEEDED TO HOLD THEM HARMLESS FROM THESE CHANGES.

168 INCREASE IN DSH ALLOTMENT IS FACTORED INTO THE MODEL

All figures in \$ Millions

PAYMENTS													OTHER TRANSACTIONS	NET TO HOSPITAL/ HOSPITAL GROUP	Federal Share
IP FFS (1)		OP FFS (2)	MANAGED CARE	STATE PROGRAM NON-DSH	SUPPLEMENTAL		UNCOMPENSATED CARE COSTS (UCC)			Total					
					UPL (3)	DSH (4)	Other								
Federal Funds Only	State & Federal Funds	State & Federal Funds Only	State Funds Only	State Funds Only	State & Federal Funds	Federal Funds Only	State & Federal Funds	to State			Intra- state	Total Federal Share			
A1	A2	A3	A4	B	C	D	E	F	G	H	I	J			
22.7	06.6	12.8	00.1	00.0	00.0	12.1	00.0	54.3	00.0	00.0	60.8	44.5			
37.3	10.2	08.9	00.5	00.0	46.9	17.5	00.0	121.4	00.0	00.0	114.9	87.9			
20.6	17.7	31.5	00.5	00.0	00.0	28.0	00.0	98.2	00.0	00.0	98.2	73.2			

Subtotal, Group 1  
Hospitals

+ State Share to mat:

+ State Share to mat:

## NOTES:

- (1) Under this model Group 1 hospitals would certify the costs of IP services for which they are currently reimbursed on a fee-for-service basis.
- (2) Under this model Group 1 hospitals would be paid for OP services as they are being paid at present.

- (2) Under this model Group 1 hospitals would be paid for all services as they are being furnished.
- (3) Under this model Group 1 hospitals would retain the full amount of the payment, i.e. no supplemental payments would be paid for services as they are being furnished.
- (4) Under this model Group 1 hospitals would as needed, certify the costs of uncompensated care, which include:

(4) under this order group I hospital ward, as needed, for the medical care and bad debt. (5) under this order group I hospital ward, as needed, for the medical care and bad debt.

(5) CAH = CRITICAL ACCESS HOSPITAL.

S

**FUND SOURCES**

State Share

Special calculations begin here:

UCC adjustments

Net pmt position adjustments

	Funded by Appropriation	Funded by Public IGT	Funded through CPE MCOs	Paid through MCOs	Total State Share	Net State Outlay	Uncomp Care Under Certif System	Applicable UPL Pmt Under Certif System	Uncomp Care (after backing out full UPL Pmt)	Uncomp Care Pmt Adj	UPL Pmt Adj	Net Uncomp Care Pmt	Net UPL Pmt
K	L	M	N	O	P								
U Washington	03.4	00.0	34.8	06.4	44.6	09.8	24.2	00.0	24.2	00.0	00.0	24.2	00.0
Harborview	29.1	00.0	54.9	04.4	88.4	33.5	82.0	46.9	35.0	00.0	00.0	35.0	46.9
Other Public In- State, Not CAH (5)	09.3	00.0	48.6	15.8	73.6	25.1	61.2	00.0	61.2	-05.3	00.0	55.9	00.0
Subtotal, Group 1 Hospitals	41.9	00.0	138.2	26.6	206.6	68.5	167.4	46.9	120.4			115.1	

Difference to Baseline: -07.3

ch Net DSH Payments to CAH not shown: 5.0

ch GAU to CAH and Privates not shown: 5.0

TOTAL: 2.7

**NOTES:**

- (1) Under this model basis.
- (2) Under this model
- (3) Under this model.bsequent IGT.
- (4) Under this model  
shortfall from outpat
- (5) CAH = CRITICAL A

Notes - Special Calculations

U Washington	JM 7/22/04 1000: U Washington does not receive UPL-based supplemental payment.
Harborview	JM 7/23/04 0830: H'view taps into the full UPL gap available to non-state hospitals in Group 1.
Other Public In-State, Not CAH (5)	JM 7/23/04 0830: Capping DSH to what these hospitals need in the aggregate to retain the same net pmt position they have in the baseline model.

Subtotal, Group 1 Hospitals

JP 7/23/04 4:30: Captures additional state match needed to fund DSH payments at current levels to CAH who previously IGTed funds.

JP 7/23/04 4:30: Captures state match to fund GAU payments to in-state private hospitals and all border hospitals assuming GAU at FY04 payment levels. \$17.3M (total GAU) - 0.9M (GAU to CAHs counted in Adj. 1) - \$6.5 (GAU to hospitals in Model) + 0.5.

NOTES:

- (1) Under this model
- (2) Under this model
- (3) Under this model
- (4) Under this model
- shortfall from outpat
- (5) CAH = CRITICAL A

Department of Social and Health Services

DP Code/Title: PL-HJ Medical Nutrition Scope of Coverage

Program Level - 080 Medical Assistance

Budget Period: 2005-07 Version: H1 080 2005-07 Agency Req 2 YR

**Recommendation Summary Text:**

This proposal is to implement uniform policy changes that include standardizing medical necessity language; monitoring program compliance; monitoring expenditures; and determining cost effectiveness for the medical nutrition program within the Medical Assistance Administration (MAA). As a result of these changes, we anticipate potential savings of approximately 30 percent of total program expenditures.

**Fiscal Detail:**

**Operating Expenditures**

	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
<b>Program 080</b>			
001-1 General Fund - Basic Account-State	(1,287,000)	(1,297,000)	(2,584,000)
001-C General Fund - Basic Account-DSHS Medicaid Federa	(1,287,000)	(1,296,000)	(2,583,000)
<b>Total Cost</b>	<b>(2,574,000)</b>	<b>(2,593,000)</b>	<b>(5,167,000)</b>

**Staffing**

	<u>FY 1</u>	<u>FY 2</u>	<u>Annual Avg</u>
<b>Program 080 FTEs</b>	<b>3.0</b>	<b>3.0</b>	<b>3.0</b>

**Package Description:**

Currently the enteral nutrition program has a yearly fiscal spending level of approximately \$16 million per year. One FTE is staffed to maintain and operate the program workload of approximately 9,000 unique clients per year. This program currently has no real stop-gap system to control who should and should not receive oral medical nutritional products. There are few if any utilization controls on this program such as who should receive oral nutrition, what nutrition is appropriate, and how it would be delivered. Our proposed solution is to control utilization by creating criteria for specific conditions that are considered to be medically necessary and to narrow the coverage by requiring Prior Authorization (PA) or Expedited Prior Authorization (EPA) criteria.

MAA expects to implement these changes by July 2005.

**Narrative Justification and Impact Statement**

*How contributes to strategic plan:*

Performance Measures:

-Prudent Purchaser of Health Care Services

**Performance Measure Detail**

**Program: 080**

**Activity: H001 Administrative Costs**

No measures linked to package

Incremental Changes	
<u>FY 1</u>	<u>FY 2</u>
0.00	0.00

**Activity: H056 Mandatory Medicaid Program for Children and Families**

No measures linked to package

Incremental Changes	
<u>FY 1</u>	<u>FY 2</u>
0.00	0.00

**Activity: H057 Medicaid for Optional Children**

No measures linked to package

Incremental Changes	
<u>FY 1</u>	<u>FY 2</u>
0.00	0.00



Department of Social and Health Services

**DP Code/Title: PL-HJ Medical Nutrition Scope of Coverage**

**Program Level - 080 Medical Assistance**

Budget Period: 2005-07    Version: H1 080 2005-07 Agency Req 2 YR

**Activity: H058    Medicaid Program for Aged, Blind and Disabled**

No measures linked to package

**Incremental Changes**

**FY 1**

0.00

**FY 2**

0.00

***Reason for change:***

Upon review of this program, MAA has determined that program savings can be achieved if clear guidelines are established for medical nutrition scope of coverage as to who should receive oral nutritional, what oral nutrition is appropriate and how the nutrition should be delivered. We will also establish criteria for the Prior Authorization (PA) and Expedited Prior Authorization (EPA) processes. This will ensure that clients who need medical nutrition will continue to receive the necessary and appropriate service for their medical condition.

***Impact on clients and services:***

Under the proposed scope of coverage, MAA will continue to provide medical nutrition to clients with cancer, chronic renal failure and tube feed. Other diagnoses requiring PA include: malnutrition, mal-absorption, AIDS, dysphasia, failure to thrive, decubitus ulcers, etc. This change may affect as much as 30 percent or more of our existing client base resulting in the non-covered category being denied in the PA process.

In order to implement the new policy and achieve the anticipated program savings, MAA will need an additional three FTE's to administer this program.

***Impact on other state programs:***

None

***Relationship to capital budget:***

None

***Required changes to existing RCW, WAC, contract, or plan:***

This proposal will require WAC development with implementation expected on July 2005. It will also require an update to the current state plan.

***Alternatives explored by agency:***

One option is to eliminate the Enteral Nutrition program. This option was rejected because it would have put a great number of clients who rely on these nutritional products and supplies at risk. A second option was to reduce the program to those clients receiving their nutrition via nasogastric or gastrostomy/jejunostomy tube feedings. This option was rejected as there are some clients with conditions that warrant the use of additional nutrients to promote healing thus saving funds from needless trips to emergency rooms.

We believe the current proposal is the best approach that will continue to provide medically necessary nutritional products to those MAA clients that need it.

***Budget impacts in future biennia:***

Program savings are expected to continue into ensuing biennia.

***Distinction between one-time and ongoing costs:***

Ongoing staffing costs for the 3 FTEs.

Department of Social and Health Services

DP Code/Title: PL-HJ Medical Nutrition Scope of Coverage

Program Level - 080 Medical Assistance

Budget Period: 2005-07 Version: H1 080 2005-07 Agency Req 2 YR

*Effects of non-funding:*

To not implement changes to this program would result in a missed opportunity to control expenditures while continue to provide necessary service to those who really need it.

*Expenditure Calculations and Assumptions:*

See attachment - MAA PL-HJ Medical Nutrition Scope of Coverage.xls

<u>Object Detail</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
<b>Program 080 Objects</b>			
A Salaries And Wages	93,000	93,000	186,000
B Employee Benefits	31,000	31,000	62,000
E Goods And Services	35,000	35,000	70,000
J Capital Outlays	24,000	5,000	29,000
N Grants, Benefits & Client Services	(2,760,000)	(2,760,000)	(5,520,000)
T Intra-Agency Reimbursements	3,000	3,000	6,000
<b>Total Objects</b>	<b>(2,574,000)</b>	<b>(2,593,000)</b>	<b>(5,167,000)</b>

DSHS Source Code Detail

<u>Program 080</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
<b>Fund 001-1, General Fund - Basic Account-State</b>			
<u>Sources Title</u>			
0011 General Fund State	(1,287,000)	(1,297,000)	(2,584,000)
<b>Total for Fund 001-1</b>	<b>(1,287,000)</b>	<b>(1,297,000)</b>	<b>(2,584,000)</b>
<b>Fund 001-C, General Fund - Basic Account-DSHS Medicaid Federa</b>			
<u>Sources Title</u>			
19TA Title XIX Assistance (FMAP)	(1,380,000)	(1,380,000)	(2,760,000)
19UL Title XIX Admin (50%)	93,000	84,000	177,000
<b>Total for Fund 001-C</b>	<b>(1,287,000)</b>	<b>(1,296,000)</b>	<b>(2,583,000)</b>
<b>Total Program 080</b>	<b>(2,574,000)</b>	<b>(2,593,000)</b>	<b>(5,167,000)</b>

# 2005-07 Biennium PL-HJ Medical Nutrition Scope of Coverage

PL - HJ Medical Nutrition Scope of Coverage      SFY 06      SFY07  
 30% of 9,200,000      2,760,000      2,760,000

## Step 1: Allocate \$ to Budget Unit

	SFY 2006	SFY 2007
State	(\$1,380,000)	(\$1,380,000)
Federal	(\$1,380,000)	(\$1,380,000)
<b>Total</b>	<b>(\$2,760,000)</b>	<b>(\$2,760,000)</b>
3 FTEs	186,000	167,000
<b>Total Savings</b>	<b>(\$2,574,000)</b>	<b>(\$2,593,000)</b>

Department of Social and Health Services

DP Code/Title: PL-HL School Ad-Match

Program Level - 080 Medical Assistance

Budget Period: 2005-07 Version: H1 080 2005-07 Agency Req 2 YR

**Recommendation Summary Text:**

Federal spending for the medicaid administrative activities provided by school districts has declined as a result of new federal guidelines. It is recommended that the amount of the federal Medicaid Ad-Match appropriation be reduced to reflect this program change.

**Fiscal Detail:**

**Operating Expenditures**

	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
<b>Program 080</b>			
001-1 General Fund - Basic Account-State	(61,000)	(62,000)	(123,000)
001-C General Fund - Basic Account-DSHS Medicaid Federa	(9,061,000)	(9,060,000)	(18,121,000)
<b>Total Cost</b>	<b>(9,122,000)</b>	<b>(9,122,000)</b>	<b>(18,244,000)</b>

**Staffing**

	<u>FY 1</u>	<u>FY 2</u>	<u>Annual Avg</u>
Program 080 FTEs	(2.0)	(2.0)	(2.0)

**Package Description:**

School Ad-Match was authorized by Congress in the early 1990s and implemented in Washington about 1995. In Fiscal Year 2003 the state claimed about \$30 million in Medicaid federal funds matched by local school district monies. The School Ad Match program reimburses districts for the federal share of their cost for 1) educating families about the Medicaid program, and 2) assisting students and their families to access Medicaid services.

In December 2003, Medical Assistance Administration (MAA) implemented the new Centers for Medicare and Medicaid Services (CMS) School Based Ad Match Claiming Guide. Key limitations were that districts not bill for administrative activities which would have been provided to students without charge (free care), and when students are being referred to a medical provider, the provider must have a Medicaid agreement with the state.

**Narrative Justification and Impact Statement**

***How contributes to strategic plan:***

Improves the accuracy of federal Medicaid administrative funds actually spent by the state.

**Performance Measures:**

-Prudent Purchaser of Health Care Services

***Performance Measure Detail***

**Program: 080**

**Activity: H001 Administrative Costs**  
No measures linked to package

<b>Incremental Changes</b>	
<u>FY 1</u>	<u>FY 2</u>
0.00	0.00

**Activity: H091 Special Programs**  
No measures linked to package

<b>Incremental Changes</b>	
<u>FY 1</u>	<u>FY 2</u>
0.00	0.00

***Reason for change:***

Medicaid federal expenditures for Ad-Match services doubled each year in the late 1990s, both in Washington State and

Department of Social and Health Services

**DP Code/Title: PL-HL School Ad-Match**

**Program Level - 080 Medical Assistance**

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Budget Period: 2005-07      Version: H1 080 2005-07 Agency Req 2 YR

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nationally. This increase prompted audits and additional guidance from the federal government on when Ad-Match funding is available. These changes have drastically reduced the amount of funding provided through this program.

***Impact on clients and services:***

Measurement of Ad-Match effect on clients and services is extremely difficult to quantify. In part because each outcome is a result of numerous contacts between school staff, the student and family needing access to Medicaid and Medicaid providers. MAA is working with school districts to begin measuring performance and data may be available by the end of 2005.

***Impact on other state programs:***

None

***Relationship to capital budget:***

None

***Required changes to existing RCW, WAC, contract, or plan:***

None

***Alternatives explored by agency:***

None

***Budget impacts in future biennia:***

No bow wave.

***Distinction between one-time and ongoing costs:***

Ongoing

***Effects of non-funding:***

If funding for the program was not reduced, total expenditures would be far less than the authorized federal appropriation provided.

***Expenditure Calculations and Assumptions:***

Estimated expenditures for Fiscal Year 2004 are \$10 million. However, this level includes \$9 million for the Fall quarter of the 2003-04 school year which was governed by federal guidance that had been in effect before the federal change took effect in December 2003. The Winter and Spring school quarters (of 2004) produced reductions in the number of districts participating (down from 172 to about 45) and a reduction in amount billed to Medicaid (an average of \$52,000 per district per quarter down to \$11,100 per district per quarter).

As a result, Ad-Match expenditures in Winter and Spring quarters 2004 were just under \$1 million or about 5 percent (per quarter) of the prior level.

MAA anticipates that districts will adjust to the new requirements both in terms of number of participating districts and amount of Ad Match activity per district. By 2005-07, school district participation is expected to return nearly to its previous level, but with lower cost per district per year than in 2003. Assuming that in the 2005-07 Biennium, 150 districts participate each year and they average 25 percent of the average cost level of Ad-Match activity (billable to Medicaid) prior to the new

Department of Social and Health Services

**DP Code/Title: PL-HL School Ad-Match**

**Program Level - 080 Medical Assistance**

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federal requirements, then (disregarding inflation), the cost per year will be:

First Fiscal Year = 150 districts x \$13,000 per quarter x three qtrs = \$6 million.

Second Fiscal Year = 150 districts x \$13,000 per quarter x three qtrs = \$6 million.

Total 2005-07 Biennium = \$12m General Fund-Federal

Using the Fiscal Year 2003 reimbursement level of \$30M as the base, the program reduction of (\$18M) is the difference between the base and the new reimbursement level of \$12M.

Additionally, the current staffing level for this program is six FTEs, and with the reimbursement reduction we anticipate a reduction of 2 FTEs at the WMS - Band 1 level.

See attachment - MAA PL-HL School Ad-Match.xls

**Object Detail**

**Program 080 Objects**

	<b><u>FY 1</u></b>	<b><u>FY 2</u></b>	<b><u>Total</u></b>
A Salaries And Wages	(73,000)	(73,000)	(146,000)
B Employee Benefits	(22,000)	(22,000)	(44,000)
E Goods And Services	(23,000)	(23,000)	(46,000)
J Capital Outlays	(2,000)	(2,000)	(4,000)
N Grants, Benefits & Client Services	(9,000,000)	(9,000,000)	(18,000,000)
T Intra-Agency Reimbursements	(2,000)	(2,000)	(4,000)
<b>Total Objects</b>	<b>(9,122,000)</b>	<b>(9,122,000)</b>	<b>(18,244,000)</b>

**DSHS Source Code Detail**

**Program 080**

**Fund 001-1, General Fund - Basic Account-State**

**Sources Title**

0011 General Fund State	(61,000)	(62,000)	(123,000)
<b>Total for Fund 001-1</b>	<b>(61,000)</b>	<b>(62,000)</b>	<b>(123,000)</b>

**Fund 001-C, General Fund - Basic Account-DSHS Medicaid Federa**

**Sources Title**

19UL Title XIX Admin (50%)	(9,061,000)	(9,060,000)	(18,121,000)
<b>Total for Fund 001-C</b>	<b>(9,061,000)</b>	<b>(9,060,000)</b>	<b>(18,121,000)</b>

<b>Total Program 080</b>	<b>(9,122,000)</b>	<b>(9,122,000)</b>	<b>(18,244,000)</b>
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**2005-07 Biennium  
PL-HL School AD-Match**

Total Expenditures *	30,000,000
Less new reimbursement level SFY06	6,000,000
Less new reimbursement level SFY07	<u>6,000,000</u>
Total Biennium 05-07 program reduction	(18,000,000)
SFY 06	(9,000,000)
SFY 07	(9,000,000)

\*Using the FY03 reimbursement level of \$30M as the base

**2005-07 Biennium  
PL-HL School Ad-Match**

Staffing Model - Result (not rounded)

Classification:

Objects	Calculated Result	
	1st Year	2nd Year
FTEs	2.0	2.0
A Salaries:	72,624	72,624
B Benefits:	21,528	21,528
E Goods & Services:	14,596	14,596
E Leases:	8,640	8,640
J Equipment:	2,000	1,640
G Travel	0	0
T ISSD:TZ	1,904	1,904
Total:	121,293	120,932

DSHS Staffing Model - Calculation Results Report			
WMS 1			
	1st Year		2nd Year
	FTEs	2.0	2.0
<u>Objects Summary</u>			
A Salaries		73,000	73,000
B Benefits		22,000	22,000
E Goods & Services		23,000	23,000
J Equipment		2,000	2,000
G Travel		0	0
T ISSD:TZ		2,000	2,000
Total Objects		122,000	122,000
<u>Funds Summary</u>			
Fund	DSHS Source	% of Total	
001-1	0011	50.00%	61,000
0	0	0.00%	0
001-C	19TA	50.00%	61,000
0	0	0.00%	0
0	0	0.00%	0
0	0	0.00%	0
Total Funds			122,000
Total Funds			122,000

Source of Funds <sup>(1)</sup>

General Fund Stat	001-1	50%	60,647	60,466
Other Fund State	0	0%	0	0
Other Funds Fedel	001-C	50%	60,646	60,466
	0	0%	0	0
	0	0%	0	0
	0	0%	0	0



Department of Social and Health Services

DP Code/Title: PL-HM MAA Relocation

Program Level - 080 Medical Assistance

Budget Period: 2005-07 Version: H1 080 2005-07 Agency Req 2 YR

**Recommendation Summary Text:**

The Medical Assistance Administration (MAA) is located in a building that is 25 years old and no longer meets the needs of the program. MAA will be moving to a new location in 2005 and one-time funding is needed to pay for the move.

**Fiscal Detail:**

<u>Operating Expenditures</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Program 080			
001-1 General Fund - Basic Account-State	1,372,000	0	1,372,000
001-C General Fund - Basic Account-DSHS Medicaid Federa	1,372,000	0	1,372,000
Total Cost	2,744,000	0	2,744,000

Staffing

**Package Description:**

MAA's facilities no longer meet the needs of the program. This is evidenced by several issues that have been raised in recent years.

A study of the information technology (IT) infrastructure for MAA has been completed by RSI under contract with FourThought Group as part of preparation for the Medical Management Information System (MMIS) Reprocurement project. The study finds that MAA's IT infrastructure is significantly lacking in many basic requirements (an executive summary of the study's findings is available). Findings specifically related to the facility include:

- Data Centers and Wiring Closets fail to meet basic best practice management standards which places both equipment and data at high-risk of damage or complete loss.
- The implementation of the Local Area Network (LAN) Cable Plant does not meet certification standards and creates the opportunity for loss of data integrity during data transmission.
- The accepted industry standard for implementing a Wide Area Network (WAN) Cable Plant involves the use of optical links between buildings. One exception to this standard exists in the Town Square complex where copper connections between buildings increase the risk of loss of both equipment and data.
- The lack of backup power makes MAA's systems and data vulnerable to changes in, or loss of, the supply of electricity.

Town Square buildings are 18 to 22 years old. These buildings will require significant tenant improvements to the HVAC system, roofing, plumbing and other areas over the next two years to ensure that they remain safe and at code. The cost of these improvements will be borne by MAA if the agency remains in the building and staff will be forced to work in a construction site if the improvements are made while MAA inhabits the building.

MAA staff are located in six buildings, significantly reducing the efficiency of work operations, and creating travel time between buildings.

The Department of Social and Health Services (DSHS) requests replacement of the MAA buildings. This move to new buildings originated as part of the agency's planning for a new MMIS as well as planning for MAA co-location and the need for significant improvements to existing facilities. The agency's prime objective is to develop a new facility that complies with local area growth management policies, client and public access, the State's "Leased Space Requirements" and performance specifications, community transportation plans and public and employee parking and accessibility parameters. The development of a facility that meets the agency's information technology needs, enhances program efficiency and avoids significant tenant improvements that have not been planned or budgeted for is crucial to meeting MAA's strategic mission.

Department of Social and Health Services

**DP Code/Title: PL-HM MAA Relocation**

**Program Level - 080 Medical Assistance**

Budget Period: 2005-07 Version: H1 080 2005-07 Agency Req 2 YR

**Narrative Justification and Impact Statement**

***How contributes to strategic plan:***

Two elements of DSHS' strategic plan are:

- 1) Design and implement the new MMIS. This funding will ensure that the new MMIS can function properly, with appropriate levels of facilities and infrastructure to support the system.
- 2) Improve the productivity of MAA employees. This will increase staff efficiency through co-location and elimination of facilities issues inherent in the occupation of a building of this age that has not been remodeled.

Performance Measures:

-Prudent Purchaser of Health Care Services

***Performance Measure Detail***

**Program: 080**

**Activity: H001 Administrative Costs**

No measures linked to package

**Incremental Changes**

<b><u>FY 1</u></b>	<b><u>FY 2</u></b>
0.00	0.00

***Reason for change:***

To support the new MMIS system, to improve staff efficiency and to ensure appropriate co-location of staff, a move to a new building is needed.

***Impact on clients and services:***

Disruption to client access to MAA staff, systems and information can be minimized by a well planned and executed move. This requires funding to ensure that the move is completed in a timely fashion, with a minimum of disruption to operations.

***Impact on other state programs:***

None

***Relationship to capital budget:***

None

***Required changes to existing RCW, WAC, contract, or plan:***

None

***Alternatives explored by agency:***

Alternatives: 1) Remodel the existing facility. A remodel would take several months to complete, during which time MAA staff would be moved off site to ensure safety and work continuation. This would mean two moves for staff offsite at the beginning of the remodel and back to the building at the end of the remodel. A remodel also would not deal with the issue of MAA existing in six buildings. Most of the cost of the remodel would be borne by MAA as the building tenant. A move eliminates these costs.

2) Do nothing. This option must be rejected due to the significant lack of infrastructure to support the new MMIS. MAA operations will not be able to operate without improvements to the facilities infrastructure. This would cause system outages,

Department of Social and Health Services

**DP Code/Title: PL-HM MAA Relocation**  
**Program Level - 080 Medical Assistance**

Budget Period: 2005-07 Version: H1 080 2005-07 Agency Req 2 YR

loss of customer service and likely payment delays due to system down time.

***Budget impacts in future biennia:***

Lease increases would be recognized as part of ongoing costs in future biennia.

***Distinction between one-time and ongoing costs:***

The cost of the move is one-time. The cost of increased lease expenses is ongoing.

***Effects of non-funding:***

MAA must improve the infrastructure for MMIS operations. Without funding for a move, this cannot occur, placing the entire MMIS operation and the new system into jeopardy.

***Expenditure Calculations and Assumptions:***

The costs for this request will be provided by the DSHS Lands and Buildings Division.

See attachment - MAA PL-HM MAA Relocation.xls

<u>Object Detail</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Program 080 Objects			
E Goods And Services	2,744,000	0	2,744,000
<u>DSHS Source Code Detail</u>			
Program 080	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Fund 001-1, General Fund - Basic Account-State			
<u>Sources Title</u>			
0011 General Fund State	1,372,000	0	1,372,000
<i>Total for Fund 001-1</i>	<u>1,372,000</u>	<u>0</u>	<u>1,372,000</u>
Fund 001-C, General Fund - Basic Account-DSHS Medicaid Federa			
<u>Sources Title</u>			
19TA Title XIX Assistance (FMAP)	1,372,000	0	1,372,000
<i>Total for Fund 001-C</i>	<u>1,372,000</u>	<u>0</u>	<u>1,372,000</u>
<b>Total Program 080</b>	<u>2,744,000</u>	<u>0</u>	<u>2,744,000</u>

## 2005-07 Biennium PL-HM MAA Relocation

Medical Assistance Administration  
Costs for Office Move  
2005 - 2007 Budget Request

As developed by Lands and Buildings:

Telephone systems/equipment	231,900	\$300 each employee
New Modular Furniture	2,319,000	\$3,000 each employee
Moving Contractor	193,250	\$250 each employee
IT Infrastructure	n/a	Part of MMIS Reprocurement Costs
Total, FY 2006	2,744,150	
GFS	1,372,075	
GFF	1,372,075	

Based on 773 employees, including part time, temporary and non-MAA staff  
housed at MAA offices.

Department of Social and Health Services

DP Code/Title: PL-HN Service Rate Increase

Program Level - 080 Medical Assistance

Budget Period: 2005-07 Version: H1 080 2005-07 Agency Req 2 YR

**Recommendation Summary Text:**

The Department of Social and Health Services' (DSHS) reimbursement rates for physicians and certain other providers are significantly below Medicare and many other Medicaid program rates. To help sustain participation in the Medicaid program and to improve access to physician care, DSHS would increase Physician-Related Services payment rates to 75 percent of Medicare rates.

**Fiscal Detail:**

**Operating Expenditures**

	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
<b>Program 080</b>			
001-1 General Fund - Basic Account-State	16,722,000	34,484,000	51,206,000
001-2 General Fund - Basic Account-Federal	74,000	152,000	226,000
001-C General Fund - Basic Account-DSHS Medicaid Federa	14,652,000	30,216,000	44,868,000
760-1 Health Services Account-State	87,000	179,000	266,000
<b>Total Cost</b>	<b>31,535,000</b>	<b>65,031,000</b>	<b>96,566,000</b>

**Staffing**

**Package Description:**

DSHS, the Health Care Authority (HCA), and the Department of Labor and Industries (DL&I) adopted the Medicare Resource Based Relative Value Scale (RBRVS) payment methodology to reimburse physicians and certain other health care providers. The RBRVS methodology uses Relative Value Units (RVUs) to pay for billed procedures. Each procedure has a different RVU to account for the work, skill, and time required to perform the procedure, associated equipment and facility costs, and malpractice insurance. The payment for a given procedure is the RVU times the payer's conversion factor. DSHS, HCA, DL&I, Medicare and private payers all use the same RVUs as weights; however, each payer uses different conversion factors to set a procedure's fee, which are dependent on overall targeted expenditure levels and budgetary considerations.

Most state Medicaid programs pay physicians less than other public or private health care purchasers. Washington's 2004 Medicaid RBRVS rates are on average 62 percent of their Medicare procedural counterparts. An internal comparison analysis found that 2001 Medicaid RBRVS rates averaged 47 percent of prevailing charges.

Except for obstetrical care, Washington's Medicaid rates are lower than other states' Medicaid rates. A 2001 Lewin Group study found that Washington's Medicaid rates ranked 31st among states - Alaska was ranked 1st and New York was 51st. The study reported that Washington ranked 3rd for routine deliveries and obstetric care. Conversely, Washington ranked 45th in surgical services, 40th in radiology, and 42nd in laboratory and pathology services.

Vendor rates for physician-related services have not kept pace with medical inflation or medical malpractice costs. Over the past 10-years, physician rates averaged a 1.3 percent per-year increase and 1.1 percent per-year increase over the past five years. In comparison, medical inflation as measured by the national Consumer Price Index (CPI) for Physician services increased by 3.5 percent per year.

Medicaid payment rates can have a direct impact on access, quality, and the uninsured. One factor in retaining physicians in the Medicaid program is the level of payments they receive for services provided. A 2001 study of Washington's Medicaid and BHP primary care providers reported that published research suggests that higher Medicaid payment rates are related to greater physician participation, but the evidence represented by different researchers is somewhat contradictory. One reason for the weakness of the connection between higher fees and greater participation is that physicians have been able to make up for the lower payment rates of Medicaid with other, better paying patients due to light Medicaid patient loads for the majority

Department of Social and Health Services

**DP Code/Title: PL-HN Service Rate Increase**

**Program Level - 080 Medical Assistance**

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of non-solo providers. However, recent cost control measures of public and private payers limit the ability of physicians to shift costs in this way.

Although Washington Medicaid payments are low relative to other payers, DSHS has not yet experienced a reduction in physician/ARNP participation in the Medicaid program. Over the period State Fiscal Years 1998-2003, the number of active fee-for-service (FFS) physicians/ARNPs increased 2.8 percent per-year from 11,289 to 12,952. However, the number of FFS MAA clients increased 8.1 percent per-year. As a result, the number of physicians per 1,000 clients decreased 4.6 percent per-year from 43.7 per 1,000 to 34.2 per 1,000. Between 1998 and 2003, the percent of office visits provided by the top quartile of physicians/ARNPs dropped slightly from 73 percent to 71 percent - ideally, the top quartile of providers would perform about 25 percent of the visits. During the State Fiscal Year 2002-03 period, primary care providers (PCPs) continued to increase, but participating specialists did not.

An assumption exists that low reimbursement rates discourage providers from supplying care and can result in use of less appropriate care setting (i.e., hospital emergency rooms). Some research suggests that Medicaid rates can affect the appropriateness of care, but again the findings are somewhat contradictory. DSHS has experienced a recent increase in emergency room (ER) visits. However, most of the counties with the highest increase in ER visits were not experiencing a loss of physicians in the area; rather, they tend to have lower physician per 1,000 client rates than the statewide average.

Finally, the impact of Medicaid rates on the uninsured warrants consideration. Physicians and clinics serving the uninsured use their income from the Medicaid program to subsidize uncompensated care. The downward pressure from Medicaid and Medicare adversely impacts providers' ability to cross-subsidize care for the uninsured. This is particularly the case in rural areas where the percentage of Medicare and Medicaid clients is higher.

To help sustain physician and related provider participation in Medicaid, MAA is proposing to increase all Medicaid RBRVS payments rates to 75 percent of their Medicare procedural counterparts. Medicaid procedure rates that are above 75 percent of their Medicare counterparts would remain at their current level. The main impact will be to increase office visit rates for adults and for specialists, such as surgeons and radiologists.

Funding will be provided to increase FFS procedures and an adjustment to the Healthy Options (HO) payment rates. HO contractors use Medicaid payment schedules to pay their network providers.

To coordinate with HO contracting, the rate enhancement would be implemented on January 1, 2006.

This rate increase is in addition to MAA's request for a State Fiscal Year 2006 and 2007 2.0 percent per-year rate increase for all Medicaid providers.

## **Narrative Justification and Impact Statement**

### ***How contributes to strategic plan:***

This decision package to enhance physician and related providers payment rates supports the DSHS Strategic Plan.

Objective A.1(3) to provide quality services in the least restrictive setting that are cost-effective and appropriate to clients' health and safety.

Objective C.3(2) to provide integrated health care to persons needing services from multiple systems; 3(3) to improve management of higher utilizers of health care services.

Objective E.2(2) to improve eligibility assessment, case management, care planning and care coordination for elderly and disabled clients.

Department of Social and Health Services

**DP Code/Title: PL-HN Service Rate Increase**  
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Objective G.3(1) to prioritize the health care services that DSHS purchase and apply evidence-based medicine to ensure effective coverage and access and to avoid unnecessary expenditures.

The decision package supports the Governor's Priority of Government's (POG) goal to improve the security of Washington's vulnerable children and adults. Specifically, the provider rate increase supports the purchasing strategies to promote adequate supply of quality providers and access to health coverage, to promote community infrastructure, and investment in early intervention services to at-risk populations. The decision package also supports the POG goal to improve the health of Washington citizens. Specifically, the provider rate increase supports access to appropriate health care for low-income and vulnerable populations.

Performance Measures:

-Prudent Purchaser of Health Care Services

*Performance Measure Detail*

**Program: 080**

**Activity: H056 Mandatory Medicaid Program for Children and Families**

No measures linked to package

Incremental Changes  
**FY 1** **FY 2**

0.00 0.00

**Activity: H058 Medicaid Program for Aged, Blind and Disabled**

No measures linked to package

Incremental Changes  
**FY 1** **FY 2**

0.00 0.00

**Activity: H060 Medical Care for General Assistance Unemployable and ADATSA**

No measures linked to package

Incremental Changes  
**FY 1** **FY 2**

0.00 0.00

*Reason for change:*

Medicaid payment rates for physician and related service providers are significantly below other public and private health purchasers, as well as other state Medicaid programs. Vendor rate increases for physicians have lagged behind cost increases for medical services and supplies. Although MAA has not yet seen a overall reduction in participating providers, the number of active providers per 1,000 clients has continued to decline over the past State Fiscal Year 1998-2003 period. The department also is hearing from stakeholders and community representatives that it is becoming more difficult to find specialists to serve Medicaid clients or for clients to access primary care providers.

The decision package proposal to enhance physician and relate rates is intended to sustain existing physician/ARNP participation, help support rural health care access, and to support the department's efforts to strengthen care coordination for vulnerable populations and evidence-based medical purchasing.

*Impact on clients and services:*

DSHS is currently expending \$200 million for State Fiscal Year 2004 physician-related services for 390,000 clients through FFS. In addition, some 470,000 clients obtain coverage through the HO managed care program. The proposed RBRVS payment increase is intended to increase the number of FFS primary care physicians/ARNPs and specialists per 1,000 clients. It is also intended to increase distribution of participating providers, particularly specialty providers who have limited their Medicaid practice.

Stakeholders that are affected by this proposal include: Washington State Medical Association, Washington State Hospital Association, Washington State Rural Health Association, Association of Washington Healthcare Plans, Association of Washington Public Hospital Districts, Washington Academy of Physician Assistants, Washington Association of Community

Department of Social and Health Services

**DP Code/Title: PL-HN Service Rate Increase**

**Program Level - 080 Medical Assistance**

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and Migrant Health Centers, Washington Chapter of the American College of Emergency Physicians, American Association of Retired Persons, American Cancer Society, American Heart Association, Children's Alliance, and Washington Citizen Action.

***Impact on other state programs:***

Increased participation of physicians/ARNPs may reduce the demand for ER services provided by public hospitals and state administered community hospitals. It may provide some ability to cross-subsidized care for the uninsured. This is particularly the case in rural areas where the percentage of Medicare and Medicaid clients is higher.

***Relationship to capital budget:***

None

***Required changes to existing RCW, WAC, contract, or plan:***

DSHS will be required to amend its Physician-Related Services billing instructions and fee schedules. This proposal does not require changes in administrative rules or Medicaid State Plan.

***Alternatives explored by agency:***

None

***Budget impacts in future biennia:***

The proposed payment rate increase would be implemented January 2006. There will need to be funding for 18-months to finance this increase for the 2005-07 biennium, and carry forward funding thereafter.

***Distinction between one-time and ongoing costs:***

Ongoing.

***Effects of non-funding:***

Without reasonable vendor rate increases and payment rates that are relatively equitable with other public and private payers, there will likely be a deterioration in the number of participation primary physicians and specialists who accept new Medicaid clients. This will force more clients to seek primary care through Federally Qualified Health Centers, tribal health care facilities, and rural health clinics, who receive enhanced Medicaid payments. It also will drive clients to hospital ERs to obtain specialty care.

***Expenditure Calculations and Assumptions:***

The increase in rates will be made to services predominantly paid to physicians, for procedures in specialty care that impact adults much more than children.

See attachment - MAA PL-HN Service Rate Increase.xls

<u>Object Detail</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Program 080 Objects			
N Grants, Benefits & Client Services	31,535,000	65,031,000	96,566,000



Department of Social and Health Services

DP Code/Title: PL-HN Service Rate Increase

Program Level - 080 Medical Assistance

Budget Period: 2005-07 Version: H1 080 2005-07 Agency Req 2 YR

**DSHS Source Code Detail**

		<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Program 080				
Fund 001-1, General Fund - Basic Account-State				
<u>Sources Title</u>				
0011	General Fund State	16,722,000	34,484,000	51,206,000
<i>Total for Fund 001-1</i>		<u>16,722,000</u>	<u>34,484,000</u>	<u>51,206,000</u>
Fund 001-2, General Fund - Basic Account-Federal				
<u>Sources Title</u>				
566B	Refugee & Entrant Assist-St Admin'd Prog(D)(100%)	74,000	152,000	226,000
<i>Total for Fund 001-2</i>		<u>74,000</u>	<u>152,000</u>	<u>226,000</u>
Fund 001-C, General Fund - Basic Account-DSHS Medicaid Federa				
<u>Sources Title</u>				
19TA	Title XIX Assistance (FMAP)	14,652,000	30,216,000	44,868,000
<i>Total for Fund 001-C</i>		<u>14,652,000</u>	<u>30,216,000</u>	<u>44,868,000</u>
Fund 760-1, Health Services Account-State				
<u>Sources Title</u>				
7601	Health Services Account	87,000	179,000	266,000
<i>Total for Fund 760-1</i>		<u>87,000</u>	<u>179,000</u>	<u>266,000</u>
<b>Total Program 080</b>		<u>31,535,000</u>	<u>65,031,000</u>	<u>96,566,000</u>

# 2005-07 Biennium PL-HN Service Rate Increase

Department of Social & Health Services  
Medical Assistance Administration  
8/4/2004

## Projected Increased Spending to bring MAA's Payments equal to Medicare's

Adult	\$23,296,083
Children	\$5,606,174
All Other	\$98,957,868
Lab	\$4,162,164
<b>Total:</b>	<b>\$132,022,289</b>

## Projected Increased Spending to bring MAA's Payments equal to 75% of Medicare's

	Base year	Convert to FY06	Convert to FY07
Adult FFS	\$8,510,573	\$9,005,915	\$9,286,046
All Other FF:	\$42,667,148	\$45,150,509	\$46,554,924
HO Adults	\$2,343,785	\$2,425,634	\$2,501,084
HO Other	\$6,268,675	\$6,487,587	\$6,689,385
Children*	\$0		
Lab*	\$0		
<b>Total:</b>	<b>\$59,790,181</b>	<b>\$31,534,823</b>	<b>\$65,031,439</b>
Federal		\$14,726,142	\$30,368,402
H.S.A.		\$86,883	\$179,172
State		\$16,721,798	\$34,483,865

	SFY 06	SFY 07
<b>Total:</b>	<b>\$31,535,000</b>	<b>\$65,031,000</b>
Federal	\$14,726,000	\$30,368,000
H.S.A.	\$87,000	\$179,000
State	\$16,722,000	\$34,484,000

\*MAA's current conversion factors for Children's services and lab services is currently higher than 75% of Medicare's fee schedule. Therefore, they have been excluded from these projections.

## Eligibles (total less QMB)

Source: CFC 6/04

FY04	858,675
FY05	877,992
FY06	908,653
FY07	936,917

## Fund Source Split for Adult Physician Services

Source of base data: Feb04 OFPA forecast file

Federal	46.7%
H.S.A.	0.3%
State	53.0%

MAA PL-HN Service Rate Increase.xls

Department of Social and Health Services

**DP Code/Title: PL-HP MMIS Electronic Billing**

**Program Level - 080 Medical Assistance**

Budget Period: 2005-07      Version: H1 080 2005-07 Agency Req 2 YR

**Recommendation Summary Text:**

This proposal identifies opportunities to simplify the administrative burden for the provider community and the Medical Assistance Administration (MAA) staff in reducing the paper claims submitted to the Medicaid Management Information System (MMIS) for payment.

**Fiscal Detail:**

**Operating Expenditures**

	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
<b>Program 080</b>			
001-1 General Fund - Basic Account-State	56,000	46,000	102,000
001-C General Fund - Basic Account-DSHS Medicaid Federa	167,000	136,000	303,000
<b>Total Cost</b>	<b>223,000</b>	<b>182,000</b>	<b>405,000</b>

**Staffing**

	<u>FY 1</u>	<u>FY 2</u>	<u>Annual Avg</u>
<b>Program 080 FTEs</b>	<b>1.0</b>	<b>1.0</b>	<b>1.0</b>

**Package Description:**

MAA's Division of Program Support Claims Processing Section now processes more than 2.6 million claims/invoices per month from medical assistance providers for services rendered to 990,000 clients who receive benefits under Washington's Medical Assistance program.

Claims Processing currently processes approximately 400,000 to 500,000 paper documents each month. This includes mail handling, sorting, batching, scanning, data verification and manual data entry of medical claims and their supporting documentation.

Managing large amounts of paper is costly in both labor and equipment. The Claims Processing Section employs approximately 75 FTEs whose sole responsibility is to process and handle paper (this number includes outside vendor staff who are paid a piece rate to open and clean mail and perform our optical scanning function). The section must also purchase and maintain expensive optical scanning equipment that captures claim images in an attempt to minimize paper handling and data entry activities. Recent MAA research shows that the cost to process a paper claim is roughly \$1.17 while an electronic claim costs around 39 cents. The cost to process a non-claim paper document is somewhat less than \$1.17. For costing purposes, we assume a paper claim volume of 356,300 per month with the remainder being other paper documents. Paper claims represent approximately 15 percent of our overall average claim volume of 2.6 million per month, but only 66.6 percent of all claims are submitted electronically when pharmacy point-of-sale electronic claims are subtracted. To maintain timely claim processing standards and maintain federal matching fund levels, increases in paper claim volumes must be addressed by adding staff, increasing overtime, or both. This is impractical and expensive.

The State of Colorado has required its Medicaid providers to bill electronically for some time. Medicare mandated electronic billing for certain providers in the fall of 2003 when the Health Insurance Portability and Accountability Act (HIPAA) was implemented. The lower administrative cost, increased cash flow and efficiency benefits to providers are clear. Paper claims are processed in approximately 30 days. Conversely, electronic claims are processed in an average of 8.6 days. Claim form and mailing costs are eliminated with electronic billing.

Funds collected through charging for paper claim processing would be used to offset the costs attributed to an FTE to do extensive outreach, technical assistance and support to paper providers to assist them to convert to electronic claims media for claims submission.

Department of Social and Health Services

**DP Code/Title: PL-HP MMIS Electronic Billing**

**Program Level - 080 Medical Assistance**

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Budget Period: 2005-07      Version: H1 080 2005-07 Agency Req 2 YR

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As an incentive to encourage providers to submit electronic claims, MAA will make available the free software (WINASAP and MAAWEBNET). Also, an exception and exemption policy would be developed for providers in critical access areas, for other extraordinary circumstances, or those claims that must be billed on paper because of MAA billing policies. Outreach to large volume paper billers and those who bill both electronically and on paper will occur as will outreach to less frequent paper billers. Free training and ongoing technical support services to switch to electronic billing would also be provided in the period between July 2005 and January 2007. We anticipate that such targeted outreach and training would result in more providers billing electronically and fewer who would be affected by the administrative fee.

Charging for paper claim volumes over 25 claims submitted per month would be implemented by January 1, 2007 upon installation of the new MMIS. The new MMIS will include a number of system enhancements to permit more claims to be submitted electronically. It will also include an internal management system that will account for the number of paper claims submitted monthly by provider and assess the \$1.00 administrative fee per additional claim.

As a part of simplifying our processes, MAA needs to make it easier for providers to access eligibility, claims status, and other protected health information easily and in a fashion consistent with other payers. The Washington Health Care Forum recently conducted a number of seminars across the state for billing staff. Over 800 individuals attended those meetings. Based on provider feedback, many providers are eager to access MAA information through a secure web portal such as OneHealthPort and felt use of the portal will increase staff productivity and satisfaction with the Medical Assistance Program.

Currently, MAA providers access protected client eligibility information through calling the toll free phone lines, purchasing information through Medical Eligibility Verification (MEV) vendors or HIPAA transactions. (To date, few HIPAA compliant providers, now about 39 percent of electronic billers- exclusive of pharmacy providers, have used the HIPAA eligibility or claims status transactions.) Accessing claims status information requires calling the toll free phone lines or HIPAA transactions. Accessing other information including billing instructions, numbered memoranda, policies regarding prior authorization, etc. again require calling the toll free phone lines or internet access. Each time the provider uses the toll free phone lines, he/she waits at least 15 minutes. While if the provider uses the MAA website, he/she must exit and enter the site each time; an inefficient process. Many providers are frustrated about the lengthy waits for the toll free phone lines while others are reluctant to access information through the internet because of concerns regarding security and transmission of confidential information.

Participation in the widely accepted OneHealthPort web portal has demonstrated benefits for providers who use the system. First, this is a security service that registers and then authenticates the physicians, clinicians and administrative staff who log-in to the payer's web portal to access secure information. Providers who already participate in OneHealthPort (over 3,500 provider organizations representing over 8,000 subscribers as of July 2004) have realized increases in staff efficiencies through simplified access to online services including claims status, beneficiary eligibility information, and referral information. Eventually clinical information will also be available. This is accomplished through "one stop shopping" through an array of standardized procedures including a single time registration, identity confirmation, digital credentialing, and access to all sites. There is no waiting on hold or constant entering and exiting of the Internet. In short, each user has a single, authenticated user ID to access online services across the Washington payer community.

All of the major payers in Washington including the Health Care Authority (HCA) (Uniform Medical Plan (UMP)) that participate in OneHealthPort have seen benefits through the implementation of a community infrastructure for secure exchange of HIPAA compliant health information with their provider communities as well as a more rapid adoption of common standards for online services. They also recognized that by offering health care providers a valuable collective online offering and a hassle-free way of accessing the online services they need for their entire book of business, more health care providers have adopted and use online services.

MAA's Coordination of Benefits section participates in OneHealthPort as a resource to secure accurate information about payers' benefit packages. The staff have found OneHealthPort's access to the major payers' online services to be very efficient. They are able to access information quickly and accurately without having to enter and exit each payer's website.

Department of Social and Health Services

**DP Code/Title: PL-HP MMIS Electronic Billing**  
**Program Level - 080 Medical Assistance**

Budget Period: 2005-07 Version: H1 080 2005-07 Agency Req 2 YR

Information is easily retrievable and in consistent formats.

Adoption of the OneHealthPort web portal would be quite rapid. Over 3,500 health care organizations are already registered with OneHealthPort. Additional registration for access to MAA's information would not be required. The entire 8,000 authenticated subscribers in provider offices would immediately be able to access MAA online services, just as they currently access similar services from private health plans and the UMP already. No additional and costly registration efforts would be required. Secure information to a number of MMIS files including client eligibility and claims status information and a secure email site to allow providers to communicate with MAA via a secure email system would need to be developed. Access to non-secure information would be provided through links to the MAA website. We anticipate it will take about 6 months to develop these sites through the experience of the HCA.

It is also important to note that MAA's Coordination of Benefits section currently uses OneHealthPort to investigate payers' benefit packages to determine comparability with the Medicaid benefit package. Staff have found access to the payers' benefit packages through this secure portal to be very effective and much more efficient than having to go to each payer's website.

**Narrative Justification and Impact Statement**

***How contributes to strategic plan:***

To create an incentive for providers to bill electronically, MAA would provide access to software and assistance in setting up that software to providers who do not have the capacity to bill electronically. For those providers who chose not to bill electronically, MAA would require an administrative fee to process paper claims. That fee would be levied for providers submitting more than 25 claims a month via paper. A processing fee of \$1.00 per paper claim would be subtracted from the claim reimbursement amount.

As a complimentary feature to the above recommendation, we also propose offering one-stop shopping for providers, by following the lead of the HCA UMP and becoming a member of the Washington Healthcare Forum's "OneHealthPort" web portal. This recommendation is solidly within the purview of the Administrative Simplification Act wherein DSHS, Labor & Industries and HCA are directed to develop methods to make our claims payment policies, programs and methods look as much alike as possible and to provide easy access to information for Washington State providers. Within the HCA, the UMP is already a member and is represented on OneHealthPort. It is also important to note that MAA's Coordination of Benefits section uses OneHealthPort to access payers' benefit packages to determine comparability to the Medicaid benefit package.

Performance Measures:

-Prudent Purchaser of Health Care Services

***Performance Measure Detail***

**Program: 080**

**Activity: H001 Administrative Costs**

No measures linked to package

**Incremental Changes**

<b>FY 1</b>	<b>FY 2</b>
0.00	0.00

***Reason for change:***

The issue being addressed is that we must lower the volume of paper claims received in MAA and provide support to providers to simplify their interactions with MAA. The state does not have the authority to impose penalties (as the federal government does), nor does it want to impose requirements and restrictions on the method that providers use to send claims for processing. Performance results can be expected to improve in terms of days to process both paper and electronic claims. Although the current weekly payment cycle limits the shortest amount of time to process to one week, the 30 day delay in paper claim processing can be shortened. Increased FTE and overtime costs will be lowered and/or offset by the amounts

Department of Social and Health Services

**DP Code/Title: PL-HP MMIS Electronic Billing**  
**Program Level - 080 Medical Assistance**

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Budget Period: 2005-07    Version: H1 080 2005-07 Agency Req 2 YR  
recovered from the charge to process paper.

The issue to be addressed through offering OneHealthPort web portal is to permit MAA to align itself more closely with other third party payers who interact with their providers through offering expanded online services. The more similar MAA's operations and offerings are to other third party payers, the more likely the providers will comply with consistent policies and procedures. State only policies and procedures results in provider confusion and frustration - making it less likely they will participate in the Medical Assistance program.

Based on provider experience with OneHealthPort, we anticipate providers will experience greater staff efficiency and savings. MAA also anticipates greater provider satisfaction with the program due to OneHealthPort's ease in accessing secure information.

MAA would also gain the advantage of promotion by OneHealthPort of MAA services to its current and future subscriber base. OneHealthPort has direct access to its registered user base of over 8,000 providers to announce and promote the availability of MAA online services. UMP was able to take advantage of this communication channel direct to its target user base during its website launch in the summer of 2004. By joining the other health plans involved in OneHealthPort, MAA would benefit from the power of sending a common message to the provider community to get off the phone and get online. It is the ability to get online services used and adopted that confers the highest business value on OneHealthPort participants of all types.

***Impact on clients and services:***

Stakeholders affected by this proposal are high volume paper claim providers of medical assistance services who do not switch to electronic billing prior to January 1, 2007. Opposition could be expected from these stakeholders who state that Medicaid reimbursement is low to begin with and the deduction of an additional \$1.00 to pay for paper claim handling is unacceptable. However, we feel that with the intensive outreach and education as well as offer of free software and technical assistance in its use will result in more providers submitting claims electronically and fewer billing on paper.

With adoption of the OneHealthPort web portal, we anticipate a reduction in the number of provider phone calls related to claims status and client eligibility. However, we do not expect an overall reduction in phone calls because we expect more clients will be able to reach us then is currently possible. Assisting clients in accessing care and answering their questions will result in a more knowledgeable and compliant client population.

We also anticipate greater provider satisfaction, resulting in additional provider participation in billing electronically. One stop shopping will result in greater staff efficiencies, thus making participation in the Medical Assistance program more attractive.

Major stakeholders include the Washington Forum for HealthCare composed of all of the major private insurers in the state, the Washington State Medical Association, the Washington State Hospital Association, and the HCA. We also assume all providers who contract with MAA are potential stakeholders. Opposition to this proposal can be diminished by providing support to providers currently billing on paper software and training to convert to electronic. In addition, by providing access to information via OneHealthPort, other administrative burdens related to claims status, eligibility and other inquiries are diminished.

***Impact on other state programs:***

One component of the cost of OneHealthPort is based on transaction fees that allocate cost of shared users among participating sites. Since the Health Care Authority is a participant, the overall cost of the shared users with MAA will result in transaction fee savings to both HCA and MAA.

***Relationship to capital budget:***



Department of Social and Health Services

**DP Code/Title: PL-HP MMIS Electronic Billing**

**Program Level - 080 Medical Assistance**

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Budget Period: 2005-07      Version: H1 080 2005-07 Agency Req 2 YR

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Not applicable

***Required changes to existing RCW, WAC, contract, or plan:***

Not applicable

***Alternatives explored by agency:***

The alternatives explored include recommending the adoption of the Medicare electronic billing mandates which require electronic billing by "large" providers, defined as those providers who employ more than 25 FTEs in the operation of their businesses. This approach was rejected as the administrative cost to track and update FTE numbers in provider's offices was deemed too high and too intrusive.

Alternative of maintaining the paper claim volume as is was also considered, however the overall claim volume continues to rise and our inability to nimbly respond to increases or decreases in paper claim volumes will continue to be problematic, with overall performance decreasing. Continued increases in staff and resources would be required.

Charging for the cost of paper claim processing is the correct alternative because it does not mandate electronic billing but charges for inefficient billing methods, while offering free electronic alternatives and support, and exemption criteria for critical access or other extraordinary issues.

The only alternative is to not offer OneHealthPort web portal access to Medical Assistance providers. MAA would continue to operate outside of the community accepted, online portal. Instead, we would continue to require providers access MAA information through our web site or other methods such as the toll free phone lines.

***Budget impacts in future biennia:***

Funding and saving are expected to continue into ensuing biennia.

***Distinction between one-time and ongoing costs:***

On-going

***Effects of non-funding:***

Continued inability to effectively respond to increases or decreases in paper claim volume.

Providers who are currently participating in OneHealthPortal activities have consistently identified MAA as one of the major payers that they would like to access through the web portal. Not funding this portion of the decision package would result in business as usual - MAA would continue to be seen as a payer that continues to operate outside the standards of other third party payers. This is especially difficult since many of the providers also contract with UMP through the HCA. There is clearly an advantage to MAA as well as our providers when we share common services with other third party payers - fewer differences in policies and procedures as well as methods for accessing information results in more efficient provider operations.

***Expenditure Calculations and Assumptions:***

One FTE (WMS Band 1) for extensive outreach, education and technical assistance for identifying paper billers and helping them convert to electronic billing practices. This position would be supported by the administrative fees generated by the paper billers' fee assessment described above.

Department of Social and Health Services

**DP Code/Title: PL-HP MMIS Electronic Billing**  
**Program Level - 080 Medical Assistance**

Budget Period: 2005-07    Version: H1 080 2005-07 Agency Req 2 YR

See attachment MAA PL-HP MMIS Electronic Billing.xls

<u>Object Detail</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
<b>Program 080 Objects</b>			
A    Salaries And Wages	36,000	36,000	72,000
B    Employee Benefits	11,000	11,000	22,000
C    Personal Service Contracts	155,000	120,000	275,000
E    Goods And Services	12,000	12,000	24,000
J    Capital Outlays	8,000	2,000	10,000
T    Intra-Agency Reimbursements	1,000	1,000	2,000
<b>Total Objects</b>	<b>223,000</b>	<b>182,000</b>	<b>405,000</b>

**DSHS Source Code Detail**

<b>Program 080</b>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
<b>Fund 001-1, General Fund - Basic Account-State</b>			
<b><u>Sources Title</u></b>			
0011    General Fund State	56,000	46,000	102,000
<i>Total for Fund 001-1</i>	<b>56,000</b>	<b>46,000</b>	<b>102,000</b>
<b>Fund 001-C, General Fund - Basic Account-DSHS Medicaid Federa</b>			
<b><u>Sources Title</u></b>			
19UG    Title XIX Admin (75%)	167,000	136,000	303,000
<i>Total for Fund 001-C</i>	<b>167,000</b>	<b>136,000</b>	<b>303,000</b>
<b>Total Program 080</b>	<b>223,000</b>	<b>182,000</b>	<b>405,000</b>



# 2005-07 Biennium PL-HP MMIS Electronic Billing

## MMIS Electronic Billing

	Object	SFY 06	SFY 07
<b>Costs for OneHealthPort:</b>			
Set up fee - one time	C	35,000	0
Annual Subscription Fee	C	30,000	30,000
Transaction fees	C	90,000	90,000
Contract Costs		155,000	120,000
<b>Costs for 1 FTE - WMS 1</b>			
Salaries:	A	36,000	36,000
Benefits:	B	11,000	11,000
Goods & Services:	E	12,000	12,000
Equipment:	J	8,000	2,000
Travel	G	0	0
ISSD:TZ	TZ	1,000	1,000
FTE Costs		68,000	62,000
<b>Total Costs</b>		223,000	182,000

Revenue	SFY 06	SFY 07
	68,000	62,000

<b>Source of Funds</b>			
001-1		55,750	45,500
001-C 19UG T19 Admin 75%		167,250	136,500
		223,000	182,000
<b>FTE</b>		1	1

**2005-07 Biennium  
PL-HP MMIS Electronic Billing**

Staffing Model - Result (not rounded)

Classification:

Objects	Calculated Result		
	1st Year	2nd Year	
FTEs	1.0	1.0	
A Salaries:	36,312	36,312	
B Benefits:	10,764	10,764	
E Goods & Services:	7,298	7,298	
E Leases:	4,320	4,320	
J Equipment:	8,200	1,640	
G Travel	0	0	
T ISSD:TZ	952	952	
Total:	67,846	61,286	

DSHS Staffing Model - Calculation Results Report				
WMS 1				
			1st Year	2nd Year
			FTEs	1.0
Objects Summary				
A	Salaries		36,000	36,000
B	Benefits		11,000	11,000
E	Goods & Services		12,000	12,000
J	Equipment		8,000	2,000
G	Travel		0	0
T	ISSD:TZ		1,000	1,000
Total Objects			68,000	62,000

Funds Summary				
Fund	DSHS Source	% of Total		
001-1	0011	50.00%	34,000	31,000
0	0	0.00%	0	0
001-C	19TA	50.00%	34,000	31,000
0	0	0.00%	0	0
0	0	0.00%	0	0
0	0	0.00%	0	0
Total Funds			68,000	62,000

Source of Funds <sup>(1)</sup>

General Fund Stat	001-1	50%	33,923	30,643
Other Fund State	0	0%	0	0
Other Funds Federal	001-C	50%	33,923	30,643
	0	0%	0	0
	0	0%	0	0
	0	0%	0	0

DSHS Staffing Model

Updated: June-04

Data Entry Worksheet

Use this model for estimating costs of new staff. Enter values in the yellow-shaded cells but PLEASE DO NOT CHANGE FIXED VALUES IN UNSHADED CELLS. Fixed values shown are standard rates that apply in FY05 and forward. After inputting all data relevant to the Position Classification needed, click on the "Position Summary" tab for calculated results for the FTEs in the classification.

Position Classification: **WMS 1**

Required FTEs: 

FY06	FY07
1.0	1.0

 <=== Enter estimated number of FTEs required

Required Individuals: 

FY06	FY07
1	1

 <=== Enter estimated number of individuals required \*

\* Note: In the 2nd Year, the value should be the incremental increase in the number of persons needed over the 1st year, not the total needed for both years. This is different from FTEs.

Object A - Salaries

Monthly Salary per FTE: AA 

FY06	FY07
3,026.00	3,026.00

 <=== Enter the monthly salary for the position classification

Unsure of salary levels? Use this link to DOP salary schedule & job class data ==> [HR Salary Data](#)

Object B - Benefits

Benefits questions? Use this link to access OFM Operating Budget Instructions Part II Appendix A-3 ==> [OFM Budget Instructions](#)

		FY06	FY07	
OASI:	BA	6.20%	6.20%	BA, BB, BF, & BH costs are a fixed percentage of monthly salaries
Retirement:	BB	1.40%	1.40%	
Medicare:	BH	1.45%	1.45%	
Unemployment:	BF	0.52%	0.52%	
	Total:	9.57%	9.57%	

Health Insurance:	BD	582.47	582.47	BD costs are monthly, per FTE
Medical Aid:	BC	24.94	24.94	<=== Enter plan costs based on position classification
General Staff/Administration	4902	24.94		BC costs are monthly, per FTE
Security/Maintenance	5307	96.14		BC cell values default to 4902, General Staff @ \$24.94/mo
Medical/Nursing	7201	269.28		

Object E - Goods & Services

Leases: ED 

FY06	FY07
360.00	360.00

 <=== Enter lease costs for staff assigned to leased facilities

ED costs (for staff in leased facilities), are monthly, per FTE

Goods and Services: E\* 587 587 Other Employee ObjE costs (supplies, postage, comms, etc)-monthly/fte  
Personnel Services: EN 0.70% 0.70% EN costs - fixed percentage of monthly salaries - CLASSIFIED STAFF ONLY

Object G - Travel Expenses

Travel: G 

FY06	FY07
0.00	0.00

 <=== Enter travel costs for staff who's duties require travel  
G costs are estimated expenses, up to \$300 per month, for staff who travel, per FTE

Object J - Equipment

Equipment: JC 

FY06	FY07
8,200	1,640

 <=== Enter required equipment costs (year 1 only)  
JC costs are annual, per FTE. Standard cost in 1st year for staff needing computer workstations is \$8,200. Cost in 2nd year and beyond is 20% of 1st year costs.

Object T - Unidentified

ISSD: TZ 79.35 79.35 TZ costs are monthly, per FTE

Fund Type BDS Code Percentage

General Fund State	001-1	0011	50%	<=== Enter source of funds code, BDS Fund Code, & estimated percentage of the total funds.
Other Fund State	0		0%	
Other Funds Federal/Local	001-C	19TA	50%	
	0		0%	
	0		0%	

(1) Source of Funds defaults to 100% General Fund State, and changes as other sources are added.

Department of Social and Health Services

**DP Code/Title: PL-HQ Hospital Blood Co-factor**

**Program Level - 080 Medical Assistance**

Budget Period: 2005-07    Version: H1 080 2005-07 Agency Req 2 YR

**Recommendation Summary Text:**

This decision package is written to support the funding of blood clotting factor drugs used in hospitals for patients with hemophilia. The Medical Assistance Administration's (MAA) Diagnostic Related Group (DRG) reimbursement system does not currently cover the enormous expense of these drugs. This proposal will provide a supplemental payment for blood clotting factor costs incurred by hospitals. This payment would be added onto the normal payment to hospitals for care of these patients. The type of reimbursement plan we are proposing is similar to the system used by Medicare.

**Fiscal Detail:**

**Operating Expenditures**

	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
<b>Program 080</b>			
001-1 General Fund - Basic Account-State	1,000,000	1,000,000	2,000,000
001-C General Fund - Basic Account-DSHS Medicaid Federa	1,000,000	1,000,000	2,000,000
<b>Total Cost</b>	<b>2,000,000</b>	<b>2,000,000</b>	<b>4,000,000</b>

**Staffing**

**Package Description:**

The problem being addressed is that the cost of certain drugs that promote blood clotting in hemophiliac patients has risen dramatically over the last several years. Medicaid's reimbursement of the cost of those drugs has not kept even close pace with that increase in cost. This problem occurs only when cases are paid under the DRG system because that system is based on hospitals' cost structures in 1998 and has not been adjusted (rebased) since. The result is that when hospitals treat hemophiliac patients for injuries that produce bleeding or for other conditions that might require surgery, the hospital incurs enormous cost for the blood clotting factor drugs for which it has no way of being reimbursed. Outpatient cases of this nature and inpatient cases paid on a ratio of costs to charges basis do not fall into this category because the hospital is paid a percentage of charges rather than a flat fee.

Our proposed solution is to create a separate payment for blood-clotting drugs that is in addition to the DRG payment. Medicare pays these cases using this methodology. Our extra payment would be based on the cost of these drugs to the hospital. We also propose that this arrangement be discontinued as soon as MAA performs its next rebasing of the DRG system (effective date between January and July 2007). The reason for discontinuing the payment at the next rebasing is that rebasing will adjust the DRG cost based factors to reflect current cost structures which will include the cost of the hemophilia drugs.

**Narrative Justification and Impact Statement**

***How contributes to strategic plan:***

Two elements of DSHS' strategic plan are:

- 1) Improve Accessibility and Service Integration, and
- 2) Improve Quality Assurance and Business Practices.

1) As hospitals that treat hemophiliac MAA clients continue to absorb the extraordinarily high cost of blood clotting drugs, there begins to develop a threat to access of needed, medically necessary, and often life-saving services. We cannot expect our hospitals to continue to write off these costs without considering alternatives to these expenditures including discontinuation of the services.

Department of Social and Health Services

**DP Code/Title: PL-HQ Hospital Blood Co-factor**  
**Program Level - 080 Medical Assistance**

Budget Period: 2005-07    Version: H1 080 2005-07 Agency Req 2 YR

2) Good business practice would dictate that MAA reimburse hospital providers at least to the level of reasonable cost for covered services. With regard to blood clotting factors we are significantly underpaying the hospitals on these DRG cases. To the degree that lack of adequate reimbursement creates financial difficulty for a hospital, quality of care to MAA clients may possibly become compromised.

Performance Measures:

- Prudent Purchaser of Health Care Services
- Evidence-based Medicine

**Performance Measure Detail**

**Program: 080**

**Activity: H056 Mandatory Medicaid Program for Children and Families**  
No measures linked to package

Incremental Changes	
<u>FY 1</u>	<u>FY 2</u>
0.00	0.00

**Activity: H057 Medicaid for Optional Children**  
No measures linked to package

Incremental Changes	
<u>FY 1</u>	<u>FY 2</u>
0.00	0.00

**Activity: H058 Medicaid Program for Aged, Blind and Disabled**  
No measures linked to package

Incremental Changes	
<u>FY 1</u>	<u>FY 2</u>
0.00	0.00

**Reason for change:**

The problem being addressed is the severe underfunding of certain drugs of the class "blood clotting factors." The cost for these drugs is not included in the cost based conversion factors used to calculate DRG reimbursement to hospitals. The cost is covered for outpatient cases and inpatient ratio of costs to charges cases since reimbursement is based on a percent of charges.

If the proposal is implemented the result will be increased expenditures by MAA on DRG cases that involve the administration of blood clotting factors. The MMIS system would be programmed to add the approved amount to the DRG payment to hospitals.

**Impact on clients and services:**

The change would have no impact on clients and services at present because hospitals provide the service whether they are reimbursed fairly or not. The concern is that in the near future, these services may be judged by hospitals as being too expensive to offer. The change does not affect administrative costs, only assistance costs.

Stakeholders affected by the proposal would be hospitals that provide care to these clients. In Calendar Year 2002 69.3 percent of the dollars spent by MAA on hemophilia-related DRG cases went to Harborview Medical Center and Children's Hospital and Regional Medical Center. This amounted to \$1.1 million.

**Impact on other state programs:**

None

**Relationship to capital budget:**

Not applicable

Department of Social and Health Services

**DP Code/Title: PL-HQ Hospital Blood Co-factor**

**Program Level - 080 Medical Assistance**

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Budget Period: 2005-07    Version: H1 080 2005-07 Agency Req 2 YR

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***Required changes to existing RCW, WAC, contract, or plan:***

Proposal will require a WAC change. Current WAC allows additional payments to a DRG payment only for newborn screening tests.

***Alternatives explored by agency:***

Alternatives: 1) Allow inpatient cases involving clotting factors that would normally be paid DRG to be paid ratio of costs to charges. This method would be simple and require no change in WAC. However, there would be no incentive for the hospital to keep the costs of the drugs down. MAA would have to pay a percentage of whatever the hospital wanted to charge for the drugs. This option was rejected because MAA is striving to limit charge-based payments to hospitals, increasing control over payments made.

2) Do nothing. Allow hospitals to accumulate more unreimbursed cost for our clients' care and creating an incentive for providers to reduce services.

***Budget impacts in future biennia:***

No increased expenditures will be required except for the drugs themselves. This proposed method of payment will no longer be needed when MAA rebases its DRG system in 2007.

***Distinction between one-time and ongoing costs:***

On-going

***Effects of non-funding:***

If the request is not funded those hospitals that care for hemophilia MAA clients will continue to incur extraordinary costs without reimbursement when blood clotting factors are needed in DRG cases, creating possible financial hardship for the hospital. The incentive is also created for the hospitals to consider reducing or eliminating this service.

***Expenditure Calculations and Assumptions:***

The proposal is built on the experience of Harborview Medical Center over a 38-month period. From Harborview's data we determined an average charge and cost of these drugs compared to average total charge for the types of cases the proposal addresses (inpatient DRG cases involving the administration of blood clotting co-factors):

Data from Harborview Medical Center 2/23/00 - 5/4/03  
Total Hospital Charges \$3,426,390  
Co-Factor Charge \$2,633,698    76.9%  
Co-Factor Cost \$1,840,843    69.9%

Next we pulled claims data from all hospitals that included 1) a hemophilia diagnosis and 2) drug revenue codes. There are no revenue codes specifically for these clotting drugs so we had to pull hemophilia claims in which any drugs were used.

Neither is there a way to identify the charges for individual drugs because DRG claims do not have this information. Therefore the information we needed had to be derived by applying a formula based on the Harborview experience illustrated in the table above, which was:

Total charges per claim x .769 x .699 = cost of hemophilia drugs.

Applying this formula to all hospitals that passed the hemophilia/drug screen and then annualizing the figures we derived a total annual expenditure of \$2,070,801 by hospitals for blood clotting factor drugs used in inpatient DRG cases.

Department of Social and Health Services

DP Code/Title: PL-HQ Hospital Blood Co-factor  
Program Level - 080 Medical Assistance

Budget Period: 2005-07 Version: H1 080 2005-07 Agency Req 2 YR

See attachment MAA PL-HQ Hospital Blood Co-factor.xls

<u>Object Detail</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Program 080 Objects			
N Grants, Benefits & Client Services	2,000,000	2,000,000	4,000,000
<u>DSHS Source Code Detail</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Program 080			
Fund 001-1, General Fund - Basic Account-State			
<u>Sources Title</u>			
0011 General Fund State	1,000,000	1,000,000	2,000,000
<i>Total for Fund 001-1</i>	<u>1,000,000</u>	<u>1,000,000</u>	<u>2,000,000</u>
Fund 001-C, General Fund - Basic Account-DSHS Medicaid Federa			
<u>Sources Title</u>			
19TA Title XIX Assistance (FMAP)	1,000,000	1,000,000	2,000,000
<i>Total for Fund 001-C</i>	<u>1,000,000</u>	<u>1,000,000</u>	<u>2,000,000</u>
Total Program 080	<u>2,000,000</u>	<u>2,000,000</u>	<u>4,000,000</u>

2005-07 Biennium  
PL-HQ Hospital Blood Co-Factor

Harborview Medical Center Actual Blood Co-factor Claims Experience 8/4/99 - 5/4/03

Patient Hosp. #	Total Hosp. Charges	Payment By DSHS	Co-Factor Cost	Co-Factor Charge
DRG	155,970	50,871	53,776	81,976
DRG			40,241	61,343
DRG			1,683	2,566
DRG	435,416	146,432	262,683	400,431
DRG	72,516	27,202	28,156	42,920
DRG	43,497	4,923	18,817	28,684
DRG	19,058	9,356	11,399	15,238
DRG	1,084,894	341,634	49,121	74,880
DRG			470,594	717,369
DRG			134,136	204,476
DRG			14,948	22,787
DRG	148,105	42,652	69,593	106,086
DRG	16,450	5,796	3,545	5,404
DRG	44,090	5,013	20,340	31,006
DRG			6,477	9,873
DRG	214,154	66,429	134,136	204,788
DRG	97,933	51,914	39,713	44,513
DRG	100,985	28,721	61,479	93,718
DRG			3,104	4,732
DRG	44,827	2,975	22,874	34,868
DRG	77,058	22,649	31,594	48,161
DRG			8,951	13,644
DRG	215,013	100,307	75,767	81,767
DRG			16,983	19,383
DRG			97,249	103,249
DRG	129,690	52,809	12,138	13,738
DRG			102,197	108,997
DRG	10,761	8,793	2,882	3,682
DRG	157,936	60,226	8,942	9,742
DRG	297,229	120,566	5,589	5,989
DRG	41,055	8,260	19,234	23,059
DRG	19,754	11,512	12,505	14,630
	3,426,390	1,169,041	1,840,843	2,633,698
				76.9%
OP	2,147	1,132	1,193	1,819
OP	66,432	29,115	42,779	50,779
OP	12,573	5,233	4,529	5,729
OP	9,215	3,803	5,673	6,473
OP	13,160	5,514	4,570	5,770
OP	11,146	6,159	4,778	7,284
OP	8,671	5,052	2,572	3,587
OP	3,311	1,368	1,744	2,144
	126,655	57,376	67,838	83,585
				66.0%
RCC	11,953	6,947	6,339	8,739
RCC	40,207	24,084	28,420	32,670
RCC	255,977	103,264	125,388	191,140
RCC	32,127	11,117	17,140	26,127
RCC	55,401	-	22,305	34,001
RCC			7,160	10,915
RCC	63,074	-	37,996	57,921
RCC	168,243	75,323	39,228	59,799
RCC			62,597	95,422
RCC	45,852	29,865	26,198	27,798
	672,833	250,599	372,771	544,533
				80.9%
	4,225,878	1,477,016	2,281,452	3,261,816
				77.2%

Recap

	Total Chrgs	Drug Chrgs	Drug Chrgs/Total	Drug Cost	Drug Cost/Chrgs
DRG	3,426,390	2,633,698	76.9%	1,840,843	69.9%
RCC	672,833	544,533	80.9%	372,771	68.5%
OP	126,655	83,585	66.0%	67,838	81.2%
	4,225,878	3,261,816	77.2%	2,281,452	69.9%



# 2005-07 Biennium

## PL-HQ Hospital Blood Co-factor

Hospital Hemophilia-related Case Experience with drugs 2/23/00 - 5/4/03

Hospital	Total	Drug	Drug Cost	Annualized		
	Charges	Chrgs		Total Charges	Drug Chrgs	Drug Cost
	<b>HMC factors:</b>	<b>0.769</b>	<b>0.699</b>			
Children's Hosp & Med Ctr-Seattle	4,117,057	3,166,017	2,213,046	1,300,123	999,795	698,857
Harborview Medical Center-Seattle	3,559,111	2,736,956	1,913,132	1,123,930	864,302	604,147
Evergreen Hosp Med Ctr-Kirkland	1,107,201	851,437	595,155	349,642	268,875	187,944
U of W Medical Ctr-Seattle	496,220	381,593	266,733	188,041	120,503	84,232
Swedish Med Ctr (1st Hill & Ballard) - Sea	503,558	387,236	270,678	159,018	122,285	85,477
St Joseph Med Ctr - Tacoma	164,806	126,736	88,588	52,044	40,022	27,975
Kadlec Medical Center -Contract	244,363	187,915	131,353	77,167	59,342	41,480
Sacred Heart Med Ctr - Spokane	126,523	97,296	68,010	39,955	30,725	21,477
Mary Bridge Children's Hosp & Health Ctr	198,440	152,601	106,668	62,665	48,190	33,685
Valley Medical Ctr - Renton	86,003	66,136	46,229	27,159	20,885	14,599
Providence St Peter Hospital - Olympia	145,331	111,760	78,120	45,894	35,293	24,670
Providence General Med Ctr-Everett	120,106	92,362	64,561	37,928	29,167	20,388
Southwest Washington Med Ctr-Vancouv	101,963	78,409	54,808	32,199	24,761	17,308
Deaconess Med Ctr - Spokane	78,085	60,047	41,973	24,658	18,962	13,255
Swedish Med. Ctr Providence Campus	161,877	124,483	87,014	51,119	39,310	27,478
Central Washington Hosp-Wenatchee	66,062	50,802	35,510	20,862	16,043	11,214
Highline Community Hosp - Burien	63,455	48,797	34,109	20,038	15,410	10,771
Walla Walla General Hospital	60,990	46,901	32,784	19,260	14,811	10,353
Harrison Memorial Hosp-Bremerton	62,757	48,260	33,734	19,818	15,240	10,653
Stevens Memorial Hospital - Edmonds	32,417	24,928	17,425	10,237	7,872	5,503
St Joseph Hosp - Bellingham	37,527	28,858	20,172	11,851	9,113	6,370
Tacoma General Allenmore Hospital	62,683	48,203	33,694	19,795	15,222	10,640
Auburn Regional Med Ctr	22,529	17,325	12,110	7,114	5,471	3,824
Yakima Valley Memorial Hosp	43,836	33,710	23,563	13,843	10,645	7,441
Virginia Mason - Seattle	170,392	131,032	91,591	53,808	41,378	28,924
Good Samaritan - Puyallup	114,239	87,849	61,407	36,075	27,742	19,392
Valley Hosp Med Ctr - Spokane	7,657	5,889	4,116	2,418	1,860	1,300
Affiliated Health Serv - Mt. Vernon	46,812	35,998	25,163	14,783	11,368	7,946
Holy Family Hospital - Spokane	34,760	26,730	18,684	10,977	8,441	5,900
Providence Toppenish Hospital	37,408	28,766	20,108	11,813	9,084	6,350
Group Health Cooperative Central Hosp-S	13,338	10,257	7,170	4,212	3,239	2,264
Northwest Hospital - Seattle	19,614	15,084	10,543	6,194	4,763	3,329
St Mary Medical Ctr - Walla Walla	2,825	2,173	1,519	892	686	480
Samaritan Hospital - Moses Lk	19,057	14,655	10,244	6,018	4,628	3,235
Providence Portland Med Ctr	11,489	8,835	6,176	3,628	2,790	1,950
Overlake Hospital Med Ctr-Bellevue	16,119	12,396	8,665	5,090	3,914	2,736
Jefferson General Hosp - Pt. Townsend	9,251	7,114	4,973	2,921	2,246	1,570
Enumclaw Memorial Hospital	10,331	7,945	5,553	3,262	2,509	1,754
Oregon Health Sciences University Hosp-	3,018	2,321	1,622	953	733	512
Yakima Valley Memorial Hosp -Psyche	13,459	10,350	7,235	4,250	3,268	2,285
Kennewick General Hospital	6,697	5,150	3,600	2,115	1,626	1,137
	<b>12,199,366</b>	<b>9,381,313</b>	<b>6,557,538</b>	<b>3,883,772</b>	<b>2,962,520</b>	<b>2,070,801</b>

Department of Social and Health Services

**DP Code/Title: PL-HT Emergency Department Utilization**

**Program Level - 080 Medical Assistance**

Budget Period: 2005-07      Version: H1 080 2005-07 Agency Req 2 YR

**Recommendation Summary Text:**

The purpose of the pilot program is to reduce inappropriate utilization of Emergency Rooms (ER) by Medical Assistance Administration (MAA) clients and to enhance client health outcomes. Local case managers will be used to assist frequent ERs users to get needed health care, pain management services, mental health and chemical dependency treatment as appropriate, thereby reducing the need to inappropriately utilize emergency care.

**Fiscal Detail:**

**Operating Expenditures**

	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
<b>Program 080</b>			
001-1 General Fund - Basic Account-State	482,000	476,000	958,000
001-C General Fund - Basic Account-DSHS Medicaid Federa	483,000	476,000	959,000
<b>Total Cost</b>	<b>965,000</b>	<b>952,000</b>	<b>1,917,000</b>

**Staffing**

	<u>FY 1</u>	<u>FY 2</u>	<u>Annual Avg</u>
<b>Program 080 FTEs</b>	<b>1.5</b>	<b>1.5</b>	<b>1.5</b>

**Package Description:**

The January 2004 MAA report on ER Visits by Washington State MAA fee-for-service clients found that while the overwhelming majority (79 percent) of ER users had between one and two ER visits in Fiscal Year 2003, a small portion (1.5 percent or 2,224 ER users) had 12 or more ER visits and incurred 15 percent of total ER visits. This ER case management pilot program will better serve MAA clients by targeting these high users, provide them with information, education, referral, and care management to assist receipt of appropriate health care services.

In the 2004 MAA ER study, General Assistance -Unemployed (GAU) clients made up five percent of the ER users although they only comprise 2.6 percent of the MAA population. GAU clients are adults with short-term disabilities. Many GAU clients and CSO workers report problems with access to care for GAU clients. GAU clients often have secondary chemical dependency and/or mental health needs.

The goal of the pilot program is to target high users of ERs and provide services to reduce inappropriate ER utilization by determining clients' needs and helping them obtain appropriate services. During Fiscal Year 2006 and 2007, up to four locales will be designated as part of the pilot program for ER case management. Medical records of the top percent of ER users in the catchment area will be reviewed and case managers will contact clients as to their willingness to participate in the pilot. In addition, referrals will be made to the case managers from medical professionals and ER departments. An assessment will be conducted with the client, along with any necessary psychological and medical evaluations. A plan of treatment will be developed, using a team approach, staffed by a social service worker, a chemical dependency professional, and a nurse. Health education and referrals to primary, specialty and ancillary care, such as medical transportation and interpreters, will be provided to clients. For more complex cases, case management and care coordination services will be provided, particularly to assist clients into chemical dependency, pain management, and mental health treatment and to ensure progress and follow through with the medical treatment plan. Disease management-type services to assist with pain management may be provided as appropriate. At the same time as services are provided, data will be collected for better planning of future service delivery and treatment options.

Out of the 2000 high users, it is estimated all 2000 will receive records reviews. Of those, it is estimated half will agree to participate (1000) in the program. Of those willing to participate, it is estimated 25 percent will drop out fairly rapidly (250) due to unwillingness or inability to follow through with the prescribed treatment plan. An estimated 160 hours/month/per case manager is available; the average number of care management hours per client is estimated at 6 hours/month/client.

Department of Social and Health Services

**DP Code/Title: PL-HT Emergency Department Utilization**  
**Program Level - 080 Medical Assistance**

Budget Period: 2005-07    Version: H1 080 2005-07 Agency Req 2 YR

The estimated length of care management service is four months for less involved clients, six months for more involved clients, and 12 months for the most complex clients (with decreasing amount of care management time required as the treatment plan is established and implemented).

Many clients will not be willing to participate and others will be difficult to contact. It is estimated that with an average caseload of 30 cases/team (up to four teams), with an average of six months duration, the projected number of clients being case managed will be approximately 250/year (500 total).

The highest users of health care services will be prioritized to start with and then they will be classified into willingness to cooperate and ability to understand and follow through with the treatment plan and other requirements (e.g., behavioral contract, pain treatment contract, etc.).

**Proposed Implementation Schedule**

**Timeline Tasks**

July - August 2005: Hire program manager housed in MAA, Division of Program Support, Care Coordination Section.

August - September 2005: Draft, finalize, and release RFPs.

October 2005: Receive bids and select apparently successful bidders.

October- November 2005: Negotiate and execute contracts.

January 2006: Admissions to program begin.

**Narrative Justification and Impact Statement**

***How contributes to strategic plan:***

The ER case management program meets several goals and objectives outlined in the Department of Social and Health Services (DSHS) 2006-2011 Strategic Plan. They include: Improving health and safety of communities and clients, improve client self-sufficiency, improve accessibility and service integration, improve prevention and care.

This pilot program also meets two Priorities of Government (POG). These include: Improve health of Washington Citizens, and improve safety of people and property.

Further, the DSHS and HCA were asked to submit a decision package with options to prevent high-risk behaviors such as alcohol and other drug use.

**Performance Measures:**

-Evidence-based Medicine

***Performance Measure Detail***

**Program: 080**

**Activity: H001 Administrative Costs**  
No measures linked to package

Incremental Changes	
<u>FY 1</u>	<u>FY 2</u>
0.00	0.00

**Activity: H056 Mandatory Medicaid Program for Children and Families**  
No measures linked to package

Incremental Changes	
<u>FY 1</u>	<u>FY 2</u>
0.00	0.00

**Activity: H057 Medicaid for Optional Children**  
No measures linked to package

Incremental Changes	
<u>FY 1</u>	<u>FY 2</u>
0.00	0.00

Department of Social and Health Services

**DP Code/Title: PL-HT Emergency Department Utilization**  
**Program Level - 080 Medical Assistance**

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**Activity: H058 Medicaid Program for Aged, Blind and Disabled**  
No measures linked to package

Incremental Changes	
<u>FY 1</u>	<u>FY 2</u>
0.00	0.00

***Reason for change:***

This proposal will reduce inappropriate use of the ER by MAA clients and to enhance client health outcomes.

***Impact on clients and services:***

The ER case management pilot program provides a coordinated, community based approach to help clients meet their medical needs so they do not reach an emergent condition or so the ER is not used to treat primary care and non-emergent needs. The program supports a coordinated and accountable approach to AOD, mental health and rehabilitation care and provides for more appropriate utilization of services. The program will reduce inappropriate utilization pharmacy, emergency room, hospital and police and correctional services utilization, while appropriately increasing utilization of primary and specialty care, addiction treatment and coordinated care to facilitate recovery, return to work, and self-sufficiency.

Stakeholders having an interest in this proposal include the following organizations and programs within DSHS and outside agencies :

- Office of the Secretary
- Research and Management Services
- Research and Data Analysis
- Medical Assistance Administration
- Division of Medical Management
- Division of Program Support
- Health and Rehabilitative Services Administration
- Division of Alcohol and Substance Abuse
- Mental Health Division

Department of Corrections - supports program as it provides managed and coordinated care in community settings; provides additional care and recovery options for complex AOD and/or mentally ill individuals and/or those needing pain management.

Local County Criminal Justice Systems - supports program as it provides additional care and recovery options; potentially reduces arrest and criminal justice needs of these individuals.

Local County Hospitals and Emergency Rooms - supports program as it reduces inappropriate emergency room utilization and avoidable hospitalizations.

Local Regional Support Network - opposes program as it redirects mental health resources to another program.

Local County Medical, Dental Societies and Chemical Dependency Facilities and Programs - supports program as it reduces inappropriate emergency room utilization; provides appropriate outpatient healthcare settings for care; provides appropriate clinical care.

Local County and City Governments - supports program as it provides comprehensive program for revolving door, high county and city service users.

***Impact on other state programs:***

Department of Social and Health Services

**DP Code/Title: PL-HT Emergency Department Utilization**  
**Program Level - 080 Medical Assistance**

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Budget Period: 2005-07      Version: H1 080 2005-07 Agency Req 2 YR

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If the ER Case Management pilot program is successful, it will reduce funding needs of state hospital and penal institutions and of local cities and counties for community policing, jail housing, and criminal justice management.

***Relationship to capital budget:***

None

***Required changes to existing RCW, WAC, contract, or plan:***

At this time, no administrative code changes are required to implement the program. Contracts with case managers in selected counties required. Federal approval for expanded case managers may be required.

***Alternatives explored by agency:***

The following options and the advantages and disadvantages of each option were explored:

Option 1: Expand Medicaid PRR program by providing psychiatric, addiction specialist, and medical rehabilitation consultation services to MAA staff managing these patients.

PRO:

- 1) Provides clinical support for program staff to facilitate management of care.
- 2) Relatively inexpensive to implement.
- 3) Provides informal and potentially formal educational information to staff responsible for managing these clients.

CON:

- 1) Program delivered telephonically and unable to address complicated AOD/mentally ill clients.
- 2) Coordination of complex care managed telephonically; difficult to manage the multiple medical and mental complexities of these clients.
- 3) Centrally based staff not familiar with local medical and social services.

Option 2: Expand Washington State Screening, Brief Intervention, Referral and Treatment grant program.

PRO:

- 1) Existing structure in place and just would have to expand who is screened and served.

CON:

- 1) Geared towards providing CD services at ER and would not be appropriate to many of the clients.
- 2) More expensive because CD professionals are used.
- 3) Space is limited in ERs.

Option 3: Disease Management

This option is being reviewed for future use after determining which clients will best benefit from the services, particularly for pain management. Further research will be needed to know protocols, predicted outcomes, lengths of treatment, effectiveness of methodology with targeted clients, etc.

***Budget impacts in future biennia:***

Continue funding into ensuing biennia if pilot program is determined to be successful and implemented statewide.

***Distinction between one-time and ongoing costs:***

Ongoing costs are incurred to manage and evaluate the program and if shown effective, to expand statewide over time.

***Effects of non-funding:***

Department of Social and Health Services

**DP Code/Title: PL-HT Emergency Department Utilization**  
**Program Level - 080 Medical Assistance**

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If funding for this program is not realized, MAA clients will continue to inappropriately utilize health care, police and criminal justice resources and under-utilize chemical dependency resources. It is anticipated the need for the services will increase over time as health care services become more restricted; limited or non-existent programs in the community will not be able to meet the identified need.

**Expenditure Calculations and Assumptions:**

Budget assumptions:

- 1) 1.5 additional FTEs needed to design, manage and evaluate the program; a project manager and part-time secretary in MAA,
- 2) Monthly Case management costs,
- 3) Added chemical dependency treatment costs to serve clients willing to use services,
- 4) Added evaluation costs,
- 5) Reductions in ER and hospital utilization, opioid utilization and associated costs, and
- 6) Cost per emergency room visit \$1,830.00 (Source RDA); ER per cap expenditure \$257.

See attachment MAA PL-HT Emergency Department Utilization.xls

<u>Object Detail</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
<b>Program 080 Objects</b>			
A Salaries And Wages	76,000	76,000	152,000
B Employee Benefits	18,000	18,000	36,000
C Personal Service Contracts	614,000	614,000	1,228,000
E Goods And Services	18,000	18,000	36,000
G Travel	4,000	4,000	8,000
J Capital Outlays	16,000	3,000	19,000
N Grants, Benefits & Client Services	218,000	218,000	436,000
T Intra-Agency Reimbursements	1,000	1,000	2,000
<b>Total Objects</b>	<b>965,000</b>	<b>952,000</b>	<b>1,917,000</b>

**DSHS Source Code Detail**

<u>Program 080</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
<b>Fund 001-1, General Fund - Basic Account-State</b>			
<b><u>Sources Title</u></b>			
0011 General Fund State	482,000	476,000	958,000
<b>Total for Fund 001-1</b>	<b>482,000</b>	<b>476,000</b>	<b>958,000</b>
<b>Fund 001-C, General Fund - Basic Account-DSHS Medicaid Federal</b>			
<b><u>Sources Title</u></b>			
19TA Title XIX Assistance (FMAP)	109,000	109,000	218,000
19UL Title XIX Admin (50%)	374,000	367,000	741,000
<b>Total for Fund 001-C</b>	<b>483,000</b>	<b>476,000</b>	<b>959,000</b>
<b>Total Program 080</b>	<b>965,000</b>	<b>952,000</b>	<b>1,917,000</b>

**2005-07 Biennium**  
**PL-HT Emergency Department Utilization**

<b>FTE's</b>	<b>SFY 06</b>	<b>SFY 07</b>	<b>Total</b>
1 WMS Band 2	1.5	1.5	3
.5 Secretary			

Admin Expd for 1.5 ftes				
Objects	A	76,000	76,000	152,000
	B	18,000	18,000	36,000
	E	18,000	18,000	36,000
	J	16,000	3,000	19,000
	G	4,000	4,000	8,000
	T	1,000	1,000	2,000
	Total	133,000	120,000	253,000

<b>Case Mgmt Costs - Contract</b>			
Object	C		
Regular case manager			
(8@ \$33,000/yr)	264,000	264,000	528,000
CD case manager			
(4@ \$50,000/yr)	200,000	200,000	400,000
RN consultant			
(2@ \$75,000/yr)	150,000	150,000	300,000
<b>Total Obj C</b>	<b>614,000</b>	<b>614,000</b>	<b>1,228,000</b>

<b>Chemical Dependency Treatment Costs</b>			
Object	N		
Brief OP Therapy			
(200@ \$475/client)	95,000	95,000	190,000
Residential Treatment			
(100@ \$8550/client)	855,000	855,000	1,710,000
Reductions in Emergency room and hospitalization	(732,000)	(732,000)	(1,464,000)
<b>Total Obj N</b>	<b>218,000</b>	<b>218,000</b>	<b>436,000</b>

<b>Total Estimated Expd</b>	<b>965,000</b>	<b>952,000</b>	<b>1,917,000</b>
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<b>Source of Funds Distribution</b>			
	<b>SFY 06</b>	<b>SFY 07</b>	<b>Total</b>
001-1	482,500	476,000	958,500
001-C	482,500	476,000	958,500
	965,000	952,000	1,917,000



Department of Social and Health Services

**DP Code/Title: PL-HU Reinstate Children's Health Program**

**Program Level - 080 Medical Assistance**

Budget Period: 2005-07    Version: H1 080 2005-07 Agency Req 2 YR

**Recommendation Summary Text:**

This is to request funding and reinstatement of a Department of Social and Health Services (DSHS) - administered medical program for Medicaid ineligible, non-citizen children, under the age of 18, whose family income is equal to or under 100 percent of the federal poverty level (FPL).

**Fiscal Detail:**

**Operating Expenditures**

	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
<b>Program 080</b>			
001-1 General Fund - Basic Account-State	3,224,000	7,608,000	10,832,000
001-C General Fund - Basic Account-DSHS Medicaid Federa	489,000	1,161,000	1,650,000
<b>Total Cost</b>	<b>3,713,000</b>	<b>8,769,000</b>	<b>12,482,000</b>

**Staffing**

	<u>FY 1</u>	<u>FY 2</u>	<u>Annual Avg</u>
<b>Program 080 FTEs</b>	<b>1.9</b>	<b>4.0</b>	<b>3.0</b>

**Package Description:**

Washington State, effective October 1, 2002, terminated coverage for non-citizens, including 20,000 children in the Children's Health Program (CHP) and 8,000 other children and families. This change was made to address a General-Fund State (GF-S) shortfall and to leverage available Health Services Account (HSA) funds. These individuals were given an opportunity to enroll in the Basic Health (BH) Program, which is HSA financed. The Department of Social and Health Services (DSHS) and the Health Care Authority (HCA) worked diligently to assist families in this transition. Initially, 13,000 children and families enrolled in BH. Currently, there are 6,600 (51 percent) former CHP children still enrolled in BH.

A recent Kaiser Commission study reports on challenges in having non-citizen children enrolled in a program designed for adults. Families with income at or below 100 percent FPL are among the lowest income population served by the department, and premiums required by BH have been found to be excessive for many of these families. In addition, many of the families are non-English speaking and did not understand the new system.

This client population includes the most vulnerable children in the population served by DSHS (lowest family income and family generally has English as a second language or is not proficient in English). The children are now left without on-going medical care and may access health coverage through the department only if the medical need has escalated to an emergent condition.

For approximately 10 years, DSHS was responsible for eligibility determinations and enrollment in health coverage for this client population through local Community Services Offices (CSOs). The primary language of most clients is supported through department translation and interpretation requirements. Families were more successful at obtaining and maintaining health coverage for their children in a fee-for-service environment of accessing medical care rather than a managed care health insurance environment with which this client population had no experience or frame of reference.

CHP is a state-only program and not subject to federal entitlement requirements. However, like the State Children's Health Insurance Program and the Medical Care Services (GAU/ADATSA) programs, CHP would be treated as a forecasted caseload based program.

Implementation of the new or reinstated program will take approximately six months, as systems must be re-programmed to provide automated support. Increased Economic Services Administration (ESA) staffing will be needed at local CSO's to determine initial eligibility and to maintain the necessary case actions.



Department of Social and Health Services

**DP Code/Title: PL-HU Reinstate Children's Health Program**  
**Program Level - 080 Medical Assistance**

Budget Period: 2005-07 Version: H1 080 2005-07 Agency Req 2 YR

This impacts the Medical Eligibility Determination activity (F061) of ESA's activity inventory.

**Narrative Justification and Impact Statement**

***How contributes to strategic plan:***

The mission of DSHS states that we will help people achieve safe, self-sufficient, healthy and secure lives". Providing for health coverage for low income Washington children helps meet that goal.

The DSHS Strategic Plan has seven priorities, including Goal A, which is improve the health and safety of clients. Providing health coverage for vulnerable low income children promotes this goal.

This request is also consistent with the Priority of Government's (POG) goal to improve the security of Washington's vulnerable children and adults. One of the strategies to achieve this goal is expand access to health insurance for vulnerable children.

Performance Measures:

- Prudent Purchaser of Health Care Services
- Evidence-based Medicine

***Performance Measure Detail***

**Program: 080**

**Activity: H001 Administrative Costs**  
No measures linked to package

Incremental Changes	
<u>FY 1</u>	<u>FY 2</u>
0.00	0.00

**Activity: H057 Medicaid for Optional Children**  
No measures linked to package

Incremental Changes	
<u>FY 1</u>	<u>FY 2</u>
0.00	0.00

**Activity: H066 Optional Health Benefits: Dental, Vision, and Hearing**  
No measures linked to package

Incremental Changes	
<u>FY 1</u>	<u>FY 2</u>
0.00	0.00

***Reason for change:***

Many low-income children have lost on-going medical coverage since the transition from DSHS coverage to Basic Health. We are asking to reinstate coverage for this client population of very low-income children who are ineligible for Medicaid coverage. Without access to on-going medical care this population may access medical care in hospital emergency rooms after a minor condition has escalated to an emergency. This increases the costs of providing emergency services through the department.

***Impact on clients and services:***

Returning clients to a familiar DSHS fee-for-service program should result in children receiving on-going medical care, improving health and safety of these vulnerable children. This client population was traditionally a healthy low-cost population to serve.

Stakeholders in support of this decision package include:

- \* Children's Alliance
- \* Community Health Access Program
- \* NW Justice

Department of Social and Health Services

**DP Code/Title: PL-HU Reinstate Children's Health Program**  
**Program Level - 080 Medical Assistance**

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Budget Period: 2005-07    Version: H1 080 2005-07 Agency Req 2 YR

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\* Seattle - King County Public Health Department

***Impact on other state programs:***

This decision package would shift program costs from HCA to MAA and shift workload from HCA to ESA and Medical Eligibility Determination Section (MEDS).

***Relationship to capital budget:***

None

***Required changes to existing RCW, WAC, contract, or plan:***

Requires changes to RCW 74.09.415, removing the limitation on funding in (1). WAC 388-505-0210 must be amended to include CHP policy.

***Alternatives explored by agency:***

The Basic Health model for this client population has been tried for two years, but not been successful at maintaining health coverage for these children. DSHS had provided coverage for this client population for several years.

***Budget impacts in future biennia:***

Caseloads will continue to grow as the alien population continues to rise. As a result, funding is expected to continue into ensuing biennia.

***Distinction between one-time and ongoing costs:***

One-time equipment costs for eligibility staff. All other costs are ongoing.

***Effects of non-funding:***

Many low-income children will remain uninsured without access to ongoing medical care.

***Expenditure Calculations and Assumptions:***

It is assumed that the alien children covered currently by the Basic Health Program (6,666) will transfer to MAA as soon as the CHP is reinstated; for purposes of this decision package, January 1, 2006. The caseload is expected to grow at the rate experienced before the program was transitioned to BHP (1.53 percent a month). The children will be covered fee-for-service and it's expected that the cost for CHP clients will be approximately 65 percent of the CN-Other Children's per capita cost. The RSN per-capita costs is based on the per-capita for non-disabled children.

Additionally, it is assumed that approximately 10 percent of the children will have parents covered by BHP, and MEDS in the Medical Assistance Administration will handle caseload eligibility and maintenance for those cases. The remaining 90 percent will be processed through the Community Services Division of ESA. Workload for this population is not materially different from other programs for children, and it's assumed that each assistance unit will require 90 minutes per month.

Funding would be needed in MEDS to process eligibility determination requests and maintain cases for children in the BHP+ program. Staff needed would be at the Medical Assistance Specialist 3 level.

For MAA see attachment - MAA PL-HU Re-instate Children's Health Program.xls

For ESA see attachment - ESA PL-HU Reinstate Children's Health Program.xls.

Department of Social and Health Services

DP Code/Title: PL-HU Reinstatement Children's Health Program  
Program Level - 080 Medical Assistance

Budget Period: 2005-07 Version: H1 080 2005-07 Agency Req 2 YR

<u>Object Detail</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
<b>Program 080 Objects</b>			
A Salaries And Wages	79,000	166,000	245,000
B Employee Benefits	22,000	45,000	67,000
E Goods And Services	9,000	20,000	29,000
G Travel	5,000	10,000	15,000
J Capital Outlays	15,000	21,000	36,000
N Grants, Benefits & Client Services	3,581,000	8,503,000	12,084,000
T Intra-Agency Reimbursements	2,000	4,000	6,000
<b>Total Objects</b>	<b>3,713,000</b>	<b>8,769,000</b>	<b>12,482,000</b>

DSHS Source Code Detail

<u>Program 080</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
<b>Fund 001-1, General Fund - Basic Account-State</b>			
<u>Sources Title</u>			
0011 General Fund State	3,224,000	7,608,000	10,832,000
<i>Total for Fund 001-1</i>	<b>3,224,000</b>	<b>7,608,000</b>	<b>10,832,000</b>
<b>Fund 001-C, General Fund - Basic Account-DSHS Medicaid Federal</b>			
<u>Sources Title</u>			
19TA Title XIX Assistance (FMAP)	489,000	1,161,000	1,650,000
<i>Total for Fund 001-C</i>	<b>489,000</b>	<b>1,161,000</b>	<b>1,650,000</b>
<b>Total Program 080</b>	<b>3,713,000</b>	<b>8,769,000</b>	<b>12,482,000</b>

**2005-07 Biennium**  
**PL-HU Reinstate Children's Health Program**

WORKLOAD	MEDS	
	SFY 06	SFY 07
FTEs	1.9	4.0
Salary	79,000	166,000
Benefits	22,000	45,000
Goods and Services	9,000	20,000
Travel	5,000	10,000
Equipment	15,000	21,000
ISSD Chargeback	2,000	4,000
TOTAL	132,000	266,000

	Avg Clients
SFY06	6,926
SFY07	7,945
Biennium	7,435

Program Costs	Total	Federal
SFY06	\$ 3,581,000	\$ 489,000
SFY07	\$ 8,503,000	\$ 1,161,000
Biennium	\$ 12,084,000	\$ 1,650,000

Workload Costs	GF-S
SFY06	\$ 132,000
SFY07	\$ 266,000
Biennium	\$ 398,000

Total Costs	Total	Federal
SFY06	\$ 3,713,000	\$ 489,000
SFY07	\$ 8,769,000	\$ 1,161,000
Biennium	\$ 12,482,000	\$ 1,650,000

**2005-07 Biennium**  
**PL-HU Reinstate Children's Health Program**

Medical Assistance Administration  
Division of Policy & Analysis  
7/19/2004

Reinstate V-Kids Program			
MOS	Eligibles	Rate of Growth	15 Mo Avg
Jul-00	16,463		
Aug-00	16,871	2.48%	
Sep-00	17,155	1.68%	
Oct-00	17,492	1.96%	
Nov-00	17,768	1.58%	
Dec-00	18,023	1.44%	
Jan-01	18,367	1.91%	
Feb-01	18,659	1.59%	
Mar-01	19,018	1.92%	
Apr-01	19,183	0.87%	
May-01	19,379	1.02%	
Jun-01	19,486	0.55%	
Jul-01	19,665	0.92%	
Aug-01	20,139	2.41%	
Sep-01	20,346	1.03%	
Oct-01	20,659	1.54%	1.53%
Nov-01	20,679	0.10%	
Dec-01	20,739	0.29%	
Jan-02	20,816	0.37%	
Feb-02	20,784	-0.15%	
Mar-02	20,685	-0.48%	
Apr-02	20,764	0.38%	
May-02	20,715	-0.24%	
Jun-02	20,501	-1.03%	
Jul-02	20,368	-0.65%	
Aug-02	19,955	-2.03%	
Sep-02	19,296	-3.30%	
Oct-02	End of Prog		

Xfer from BHP

Eligibles Impact		
MOS	V-Kids	
Jan-06	6666	
Feb-06	6768	1.53%
Mar-06	6871	1.53%
Apr-06	6976	1.53%
May-06	7082	1.53%
Jun-06	7190	1.53%
Jul-06	7300	1.53%
Aug-06	7411	1.53%
Sep-06	7524	1.53%
Oct-06	7639	1.53%
Nov-06	7756	1.53%
Dec-06	7874	1.53%
Jan-07	7994	1.53%
Feb-07	8116	1.53%
Mar-07	8240	1.53%
Apr-07	8366	1.53%
May-07	8494	1.53%
Jun-07	8624	1.53%

SFY06	6,926
SFY07	7,945
Biennium	7,435

Expenditure Impact		
If in H/O	If FFS	Federal
\$ 872,003.79	\$ 574,444.69	\$ 78,422.27
\$ 885,346.78	\$ 583,234.58	\$ 79,622.25
\$ 898,820.59	\$ 592,110.63	\$ 80,833.99
\$ 912,556.02	\$ 601,159.04	\$ 82,069.27
\$ 926,422.27	\$ 610,293.63	\$ 83,316.31
\$ 940,550.14	\$ 619,600.56	\$ 84,586.88
\$ 988,362.53	\$ 651,097.64	\$ 88,886.81
\$ 1,003,391.06	\$ 660,997.89	\$ 90,238.37
\$ 1,018,690.37	\$ 671,076.53	\$ 91,614.29
\$ 1,034,260.46	\$ 681,333.54	\$ 93,014.56
\$ 1,050,101.34	\$ 691,768.95	\$ 94,439.19
\$ 1,066,077.61	\$ 702,293.54	\$ 95,875.99
\$ 1,082,324.67	\$ 712,996.51	\$ 97,337.14
\$ 1,098,842.51	\$ 723,877.87	\$ 98,822.65
\$ 1,115,631.13	\$ 734,937.61	\$ 100,332.50
\$ 1,132,690.54	\$ 746,175.73	\$ 101,866.71
\$ 1,150,020.73	\$ 757,592.24	\$ 103,425.28
\$ 1,167,621.71	\$ 769,187.13	\$ 105,008.19
\$ 5,435,699.60	\$ 3,580,843.13	\$ 488,850.96
\$ 12,908,014.68	\$ 8,503,335.19	\$ 1,160,861.68
\$ 18,343,714.27	\$ 12,084,178.32	\$ 1,649,712.65

SFY02 V-kids			
Total Funds	18,210,000		
State	15,724,000	86.3%	
Federal	2,486,000	13.7%	

Department of Social and Health Services

**DP Code/Title: PL-HV Medical Eligibility Review Cycle**

**Program Level - 080 Medical Assistance**

Budget Period: 2005-07 Version: H1 080 2005-07 Agency Req 2 YR

**Recommendation Summary Text:**

This is to stabilize the children's caseload and reduce administrative burden on DSHS Community Services Offices (CSO), Children's Medical review cycle would be changed back to a 12-month review cycle.

**Fiscal Detail:**

**Operating Expenditures**

	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
<b>Program 080</b>			
001-2 General Fund - Basic Account-Federal	0	75,000	75,000
001-C General Fund - Basic Account-DSHS Medicaid Federa	0	2,376,000	2,376,000
760-1 Health Services Account-State	0	2,416,000	2,416,000
<b>Total Cost</b>	<b>0</b>	<b>4,867,000</b>	<b>4,867,000</b>

**Staffing**

**Package Description:**

Children's Medicaid and SCHIP programs had had a 12-month certification period until the 2003 Legislature changed the certification period from 12-months to six-months. The change was implemented in July 2004. Also continuous eligibility (CE) for children was eliminated. The caseload drop was estimated to be approximately five percent beginning January 2004 when six-month eligibility reviews began to occur.

In April 2004, other changes were also initiated. This included application signature requirements and enhanced income verification requirements.

As a collective result of these changes, the Children's Medical caseload has decreased by 38,500 children (11 percent). The SCHIP program increased by 3,600 (33 percent) children due to children who were no longer eligible for Medicaid but were found to be eligible for higher income SCHIP coverage

To stabilize the children's caseload and reduce administrative burden on DSHS Community Services Offices (CSO), Children's Medical review cycle should be changed back to a 12-month review cycle.

To accomplish the change to a 12-month certification, the automated eligibility system would reset the review period to twelve months at the next review. The review period for the caseload would continue to be staggered and would have a positive impact on staff.

Currently, each household is required to report certain changes during the certification period. When clients report changes, the changes may affect the clients' eligibility. Although it is difficult to determine what effect this change had on the caseload decline, with the other changes also being instituted, this change caused a significant drop in children's medical programs.

When a medical certification period ends, clients don't always follow through to re-apply for the medical benefits. Of those who don't respond timely, 25 percent are recertified within a month after the medical ends. This "churn" impacts eligibility workers and managed care plans. Other clients wait until a medical need exists to reapply, thus causing additional costs due to medical emergencies. In addition, clients usually ask for medical assistance for up to three months prior to the application (retro medical) to cover unpaid medical bills. This creates another administrative burden since eligibility for a past period is determined as a separate action from the future period.

The six-month reviews have created an additional workload for staff as they are completing two reviews each year for these

Department of Social and Health Services

**DP Code/Title: PL-HV Medical Eligibility Review Cycle**

**Program Level - 080 Medical Assistance**

Budget Period: 2005-07 Version: H1 080 2005-07 Agency Req 2 YR

households instead of one. To ease the administrative burden, this request is to enable DSHS to reinstate 12-month certifications.

Reinstating continuous eligibility would also be a positive change for both staff and clients. Clients are not required to report any changes during the certification period and staff do not have to determine whether or not a reported change affects eligibility. Reinstating continuous eligibility would also support the Simplified Reporting changes that Economic Services Administration is implementing, as required by the Legislature.

**Narrative Justification and Impact Statement**

***How contributes to strategic plan:***

The mission of DSHS states that the Department will help people achieve safe, self-sufficient, healthy and secure lives. Providing health coverage for low-income families and children helps the Department meet that goal.

The DSHS Strategic Plan includes seven priorities. The first is improving client health and safety. Providing for uninterrupted health coverage for low income Washington families and children helps meet that goal.

**Performance Measures:**

-Prudent Purchaser of Health Care Services

***Performance Measure Detail***

**Program: 080**

**Activity: H057 Medicaid for Optional Children**

No measures linked to package

**Incremental Changes**

<b><u>FY 1</u></b>	<b><u>FY 2</u></b>
0.00	0.00

**Activity: H066 Optional Health Benefits: Dental, Vision, and Hearing**

No measures linked to package

**Incremental Changes**

<b><u>FY 1</u></b>	<b><u>FY 2</u></b>
0.00	0.00

**Activity: H089 SCHIP**

No measures linked to package

**Incremental Changes**

<b><u>FY 1</u></b>	<b><u>FY 2</u></b>
0.00	0.00

***Reason for change:***

The children's caseload has been dropping at a greater rate than expected and the department is just beginning to see the results of the 6-month reviews and elimination of continuous eligibility. Between April 2003 and April 2004, the children's caseload has dropped approximately 11 percent (approximately 38,500 children).

Since the caseload is dropping so quickly and the department is now beginning to see the results of the change to six-month reviews and elimination of continuous eligibility, the department should take action to safeguard the health of the children in Washington and reinstate 12-month reviews and continuous eligibility.

***Impact on clients and services:***

Currently clients are required to complete an eligibility review and verify their income every six-months. Under this proposed change, clients would renew eligibility once a year. This is a positive change for clients and staff due to reduced paperwork and less "churning".

Another positive change for both staff and clients is to reinstate continuous eligibility. The client would not be required to report any changes and their children would continue to be eligible for medical throughout the entire certification period. As

Department of Social and Health Services

**DP Code/Title: PL-HV Medical Eligibility Review Cycle**  
**Program Level - 080 Medical Assistance**

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Budget Period: 2005-07    Version: H1 080 2005-07 Agency Req 2 YR

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a result the children would remain in managed care throughout the entire certification period.

Finally, reinstating continuous eligibility would support the Simplified Reporting changes the Economic Services Administration is implementing, as required by the Legislature.

***Impact on other state programs:***

A 12-month certification period is a positive step and is consistent with proposed changes to match cash grant and Basic Food cases. Cash grant and Basic Food (BF) will be going to a 12-month certification period with a 6-month report due halfway through the certification period. This report would also serve to re-verify circumstances for any shared Cash/BF case with family or children's medical cases.

Reinstating continuous eligibility is another positive step, as staff will not have to make changes to the case during the certification period. This will not have an affect on other programs.

***Relationship to capital budget:***

Not applicable

***Required changes to existing RCW, WAC, contract, or plan:***

Not applicable

***Alternatives explored by agency:***

None

***Budget impacts in future biennia:***

The caseload impact will not start until October 2006. There will be a larger impact in the 2007-09 Biennium.

***Distinction between one-time and ongoing costs:***

All costs are ongoing.

***Effects of non-funding:***

If the requested changes are not implemented, the caseload will continue to decline over time. Also a larger portion of the population will not have any medical coverage and the health of the children in Washington State will decline. There are too many children now who do not have any medical coverage. Eventually they will become a financial burden to Washington State when they have serious health problems due to lack of medical care.

***Expenditure Calculations and Assumptions:***

Computation of the estimated caseload impact of going to a 12-month certification and removing the six-month review for children's programs are based on the change in the caseload exit rates between the average actual exit experience May-October 2003 as compared to the average actual exit experience January-April 2004. There was an increase in exit rates between the two periods, and it's assumed that this increase will reverse once the policy change is made. The impact from continuous eligibility is assumed to be negligible.

Barring competing priorities, ACES will implement the program change in April 2006. The impact to the caseload will not occur until October 2006.



Department of Social and Health Services

**DP Code/Title: PL-HV Medical Eligibility Review Cycle**  
**Program Level - 080 Medical Assistance**

Budget Period: 2005-07 Version: H1 080 2005-07 Agency Req 2 YR

See attachment - MAA PL-HV Medical Eligibility Review Cycle.xls

**Object Detail**

	<b><u>FY 1</u></b>	<b><u>FY 2</u></b>	<b><u>Total</u></b>
<b>Program 080 Objects</b>			
N Grants, Benefits & Client Services	0	4,867,000	4,867,000

**DSHS Source Code Detail**

<b>Program 080</b>	<b><u>FY 1</u></b>	<b><u>FY 2</u></b>	<b><u>Total</u></b>
<b>Fund 001-2, General Fund - Basic Account-Federal</b>			
<b><u>Sources Title</u></b>			
767H Children's Health Ins Prog (CHIP)	0	75,000	75,000
<i>Total for Fund 001-2</i>	<u>0</u>	<u>75,000</u>	<u>75,000</u>
<b>Fund 001-C, General Fund - Basic Account-DSHS Medicaid Federa</b>			
<b><u>Sources Title</u></b>			
19TA Title XIX Assistance (FMAP)	0	2,376,000	2,376,000
<i>Total for Fund 001-C</i>	<u>0</u>	<u>2,376,000</u>	<u>2,376,000</u>
<b>Fund 760-1, Health Services Account-State</b>			
<b><u>Sources Title</u></b>			
7601 Health Services Account	0	2,416,000	2,416,000
<i>Total for Fund 760-1</i>	<u>0</u>	<u>2,416,000</u>	<u>2,416,000</u>
<b>Total Program 080</b>	<u>0</u>	<u>4,867,000</u>	<u>4,867,000</u>

**2005-07 Biennium**  
**PL-HV Medical Eligibility Review Cycle**

Medical Assistance Administration  
Division of Policy & Analysis  
8/5/2004

**Impact of Instituting 12-Month Reviews for Children**

<b>Medical Assistance</b>		<b>Estimated</b>		
	<b>Caseload</b>	<b>Per Cap</b>	<b>Total</b>	<b>H.S.A.</b>
<b>CN-Other Children</b>				
SFY06	0	\$ 130.81	-	-
SFY07	3,899	\$ 135.39	4,751,136.37	2,375,568.19
<b>SCHIP</b>				
SFY06	0	\$ 126.27	-	-
SFY07	99	\$ 130.69	116,132.91	40,646.52
<b>Totals</b>				
SFY06	0		-	-
SFY07	3,998		4,867,269.28	2,416,214.70
	1,999		4,867,269.28	2,416,214.70

<b>Mental Health</b>		<b>Placeholder</b>		
	<b>Caseload</b>	<b>Per Cap</b>	<b>Total</b>	<b>GF-S</b>
<b>CN-Other Children</b>				
SFY06	0	\$ 11.60	-	-
SFY07	3,899	\$ 12.01	421,395.99	210,697.99

Department of Social and Health Services

**DP Code/Title: PL-HW Safe Moms/Babies Sustainable Fund**

**Program Level - 080 Medical Assistance**

Budget Period: 2005-07 Version: H1 080 2005-07 Agency Req 2 YR

**Recommendation Summary Text:**

The Safe Babies/Safe Moms (SBSM) program is for Medicaid eligible pregnant and parenting women identified as "at-serious risk for, or currently using" alcohol or substances who may be enrolled during pregnancy, or anytime before their youngest child turns three years old. This proposal is to obtain sustained funding within the Medical Assistance Administration (MAA) budget to continue providing this necessary service.

**Fiscal Detail:**

**Operating Expenditures**

	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
<b>Program 080</b>			
001-1 General Fund - Basic Account-State	880,000	880,000	1,760,000
001-C General Fund - Basic Account-DSHS Medicaid Federa	720,000	720,000	1,440,000
<b>Total Cost</b>	<b>1,600,000</b>	<b>1,600,000</b>	<b>3,200,000</b>

**Staffing**

**Package Description:**

In 1999, the legislature passed a proviso to fund comprehensive research pilot programs to serve "at-risk" substance and alcohol abusing pregnant and parenting women. This comprehensive program, known as SBSM, includes long-term residential chemical dependency treatment with therapeutic childcare, transitional housing support services, and Targeted Intensive Case Management (TICM). Funding for the SBSM program was originally in Temporary Assistance for Needy Families (TANF) and was given by Economic Services Administration (ESA) to the Division of Alcohol and Substance Abuse (DASA) to implement. MAA, through an intra-agency agreement with DASA, was asked to provide the program management and oversight of the TICM component of the SBSM program. During July 1, 2004 through June 30, 2005 the TICM funding has changed to General Fund-State, and is provided by ESA to MAA through a Memorandum of Understanding.

DASA has included the SBSM residential chemical dependency and transitional housing support services into its sustainable budget. The purpose of this decision package is to obtain sustained funding for the TICM component of the SBSM program described in the text below.

TICM services include: 1) targeted intensive case management; 2) child development activities including assessment, education about normal child development, and referrals for further child developmental assessment when indicated; 3) parenting education; 4) behavioral health related services including group therapy and individual counseling to address mental health issues; 5) family planning education and referrals, and 6) active outreach to identify and engage program eligible women in services. The intent of SBSM TICM is to assist women in achieving and maintaining sobriety and self-sufficiency. SBSM TICM also seeks to improve birth outcomes, maximize the child's development, increase parenting skills, and assist women in navigating through the complex and multiple systems of which they are typically involved. Highlights of the successful research findings include:

\* The low birth weight rate for infants born after program entry decreased by 66 percent, compared to those born before program entry. The low birth weight (LBW) rate for infants born after program entry was 5.5 percent lower than the 8.9 percent LBW rate for identified substance abusers receiving prenatal treatment for chemical dependency who gave birth in 1999; and closer to the 4.8 percent LBW rate for Medicaid women with no known substance abuse.

\* The rate of accepted Child Protective Services (CPS) referrals during the first year of life decreased by 35 percent for infants whose mothers enrolled in SBSM before delivery compared to those enrolled after delivery.

Department of Social and Health Services

**DP Code/Title: PL-HW Safe Moms/Babies Sustainable Fund**

**Program Level - 080 Medical Assistance**

Budget Period: 2005-07 Version: H1 080 2005-07 Agency Req 2 YR

\* Criminal justice involvement of SBSM clients is extensive, with an average of 1.5 arrests per woman in the two years before program entry. A decrease of more than 50 percent in the arrest rate was observed for clients with CD treatment.

\* Two-thirds of SBSM clients (67.5 percent) received at least one Medicaid-paid family planning method in the year after enrollment. At one-year follow-up, one-third (34percent) received non-reversible or more effective methods.

Professional, and/or licensed staff provides TICM services. Referral sources for the SBSM TICM program are numerous, but come primarily from chemical dependency treatment providers, Children's Administration (CA), Drug courts, First Step programs, Community Service Offices-WorkFirst programs, and doctors. The program is available in three sites: 1) Whatcom County; 2) Snohomish County; and 3) Benton-Franklin Counties. In Whatcom County, the SBSM TICM provider employs eight part, or full-time staff and has 83 women enrolled in the program. In Snohomish County, the SBSM TICM provider employs eight part or full-time staff and has 124 women enrolled in the program. In Benton-Franklin Counties, the SBSM provider employs seven part or full-time staff and has 99 women enrolled in the program. Case managers typically carry a caseload between 22-27 clients. Licensed, professional staff also offer parenting education classes, behavioral health related services including individual counseling and group therapy, and child development assessment, education, and referrals. From January 2000- June 30, 2003, approximately 450 women had received SBSM TICM services. As of June 2004, a total of 306 women were enrolled in the programs. Services to clients are provided at the SBSM TICM provider offices, in the client's home, or in the community as appropriate. The lack of sustained funding for this program has negatively impacted the number of referrals received, working relationships with community partners, and staff retention and training costs.

**Narrative Justification and Impact Statement**

***How contributes to strategic plan:***

Performance Measures:

- Prudent Purchaser of Health Care Services
- Evidence-based Medicine

***Performance Measure Detail***

**Program: 080**

**Activity: H056 Mandatory Medicaid Program for Children and Families**

No measures linked to package

Incremental Changes

**FY 1**

**FY 2**

0.00

0.00

***Reason for change:***

The problem being addressed is the lack of sustained funding for the TICM portion of this program. The SBSM program is designed to serve "high-risk" women for long periods of time. The lack of secure funding from year to year has had negative impacts on being able to retain trained staff, and in maintaining referral sources and successful working relationships with community partners such as CA and WorkFirst.

Sustainable funding would provide program security and improve community perception and recognition of the SBSM TICM program. It is expected that the positive research findings would be maintained, and possibly improved upon, if sustainable funding is granted.

***Impact on clients and services:***

If funding were granted, there would be no impact or changes for clients, or in service delivery. Agencies that would support sustained funding include: Children's Administration (CA); DASA; Department of Health (DOH); ESA; as well as local chemical dependency programs, drug courts, First Step agencies, and other programs.

Department of Social and Health Services

**DP Code/Title: PL-HW Safe Moms/Babies Sustainable Fund**  
**Program Level - 080 Medical Assistance**

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Budget Period: 2005-07    Version: H1 080 2005-07 Agency Req 2 YR

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***Impact on other state programs:***

None

***Relationship to capital budget:***

None

***Required changes to existing RCW, WAC, contract, or plan:***

There are no changes anticipated to existing RCW's, WACs, contracts or state plans.

***Alternatives explored by agency:***

Current funding is through ESA, and guaranteed for only the remainder of fiscal year 2005. There are no other funding recommendations or alternatives available.

***Budget impacts in future biennia:***

If funded, the program costs are expected to continue in ensuing biennia.

***Distinction between one-time and ongoing costs:***

The program costs are ongoing.

***Effects of non-funding:***

A failure to provide sustainable funding to the SBSM TICM program is expected to mean an increase in accepted CPS referrals as well as an increase in the number of arrests and criminal charges of pregnant and parenting substance abusing women. It is also expected that more children would be born as a result of unintended pregnancy, and the incidence of LBW rate babies would increase, resulting in substantial medical costs.

It is expected that the First Steps Infant Case Management caseloads in Whatcom, Snohomish, and Benton-Franklin Counties would also increase, as would the demand for chemical dependency related treatment services.

Approximately 300 women enrolled in SBSM TICM would be without services. The caseloads of CPS/CWS case managers would likely increase as we would expect an increase in accepted CPS referrals.

Without funding, established and effective working relationships between SBSM TICM and CA, WorkFirst, and residential chemical dependency facilities would end. These SBSM TICM related working agreements/partnerships are affective examples of the Department of Social and Health Services best-practice goal of "integrated" services. There are no equivalent services to SBSM TICM offered in Whatcom, Snohomish, and Benton-Franklin Counties.

***Expenditure Calculations and Assumptions:***

<b><u>Object Detail</u></b>	<b><u>FY 1</u></b>	<b><u>FY 2</u></b>	<b><u>Total</u></b>
<b>Program 080 Objects</b>			
N    Grants, Benefits & Client Services	1,600,000	1,600,000	3,200,000

Department of Social and Health Services

DP Code/Title: PL-HW Safe Moms/Babies Sustainable Fund  
Program Level - 080 Medical Assistance

Budget Period: 2005-07 Version: H1 080 2005-07 Agency Req 2 YR

**DSHS Source Code Detail**

Program 080		<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Fund 001-1, General Fund - Basic Account-State				
<u>Sources Title</u>				
0011	General Fund State	880,000	880,000	1,760,000
<i>Total for Fund 001-1</i>		<u>880,000</u>	<u>880,000</u>	<u>1,760,000</u>
Fund 001-C, General Fund - Basic Account-DSHS Medicaid Federa				
<u>Sources Title</u>				
19TA	Title XIX Assistance (FMAP)	720,000	720,000	1,440,000
<i>Total for Fund 001-C</i>		<u>720,000</u>	<u>720,000</u>	<u>1,440,000</u>
<b>Total Program 080</b>		<u>1,600,000</u>	<u>1,600,000</u>	<u>3,200,000</u>

Department of Social and Health Services

DP Code/Title: PL-LB Provider Rate Increase

Program Level - 080 Medical Assistance

Budget Period: 2005-07 Version: H1 080 2005-07 Agency Req 2 YR

**Recommendation Summary Text:**

This decision package requests a general rate increase for all Medical Assistance Administration (MAA) providers.

**Fiscal Detail:**

<u>Operating Expenditures</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
<b>Program 080</b>			
001-1 General Fund - Basic Account-State	22,379,000	22,826,000	45,205,000
001-7 General Fund - Basic Account-Private/Local	515,000	526,000	1,041,000
001-C General Fund - Basic Account-DSHS Medicaid Federa	28,207,000	28,770,000	56,977,000
760-1 Health Services Account-State	4,829,000	4,925,000	9,754,000
<b>Total Cost</b>	<b>55,930,000</b>	<b>57,047,000</b>	<b>112,977,000</b>

Staffing

**Package Description:**

Rate increases are provided to MAA providers when the budget contains specific funding for that purpose. It has been several years since a vendor rate increase has been provided. This has caused MAA rates to fall behind inflation and the cost of providing service to MAA recipients. This item provides a rate increase to all health care providers that serve Medical Assistance clients.

**Narrative Justification and Impact Statement**

*How contributes to strategic plan:*

Performance Measures:  
-Prudent Purchaser of Health Care Services

***Performance Measure Detail***

**Program: 080**

**Activity: H056 Mandatory Medicaid Program for Children and Families**

No measures linked to package

<u>Incremental Changes</u>	
<u>FY 1</u>	<u>FY 2</u>
0.00	0.00

**Activity: H057 Medicaid for Optional Children**

No measures linked to package

<u>Incremental Changes</u>	
<u>FY 1</u>	<u>FY 2</u>
0.00	0.00

**Activity: H058 Medicaid Program for Aged, Blind and Disabled**

No measures linked to package

<u>Incremental Changes</u>	
<u>FY 1</u>	<u>FY 2</u>
0.00	0.00

**Activity: H060 Medical Care for General Assistance Unemployable and ADATSA**

No measures linked to package

<u>Incremental Changes</u>	
<u>FY 1</u>	<u>FY 2</u>
0.00	0.00

**Activity: H066 Optional Health Benefits: Dental, Vision, and Hearing**

No measures linked to package

<u>Incremental Changes</u>	
<u>FY 1</u>	<u>FY 2</u>
0.00	0.00

Department of Social and Health Services

**DP Code/Title: PL-LB Provider Rate Increase**  
**Program Level - 080 Medical Assistance**

Budget Period: 2005-07 Version: H1 080 2005-07 Agency Req 2 YR

Activity: H089 SCHIP	Incremental Changes	
	FY 1	FY 2
No measures linked to package	0.00	0.00
Activity: H091 Special Programs	Incremental Changes	
	FY 1	FY 2
No measures linked to package	0.00	0.00

***Reason for change:***

The last vendor rate increase provided was in the 2001-03 Biennium. Providers have been without a general vendor rate increase for two years, which has caused their reimbursement to fall farther behind their cost of providing care to MAA clients. Based on annual inflation from 2002 - 2003, we recommend a two percent increase in each fiscal year, 2006 and 2007.

***Impact on clients and services:***

This increase in rates will help to ensure that MAA clients have access to the services and providers that they need for medical care. Without an increase in rates, it is likely that providers will continue to drop out of providing care for MAA clients.

***Impact on other state programs:***

There is no direct impact on other state programs, but it is likely that other human services providers will expect vendor rate increases that are similar to those provided to Medical providers. State policy has been to provide consistent increases to all providers in past budgets.

***Relationship to capital budget:***

None

***Required changes to existing RCW, WAC, contract, or plan:***

Contracts will need to be updated through normal renewal processes.

***Alternatives explored by agency:***

The only other option is to not provide a vendor rate increase. This will have a significant, negative effect on MAA's ability to ensure that services are provided to our clients, because providers were not given a vendor rate increase in the previous biennium. For that reason, the option was rejected.

***Budget impacts in future biennia:***

Funding is expected to continue into ensuring biennia.

***Distinction between one-time and ongoing costs:***

Ongoing

***Effects of non-funding:***

If no vendor rate increase is provided, it is likely that access to services will be negatively impacted for MAA clients.

***Expenditure Calculations and Assumptions:***



Department of Social and Health Services

DP Code/Title: PL-LB Provider Rate Increase

Program Level - 080 Medical Assistance

Budget Period: 2005-07 Version: H1 080 2005-07 Agency Req 2 YR

To calculate the amount of the increase, the vendor rate model should be updated and rate increases of two percent applied to each year.

See attachment - MAA PL-LB Provider Rate Increase.xls

<u>Object Detail</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
<b>Program 080 Objects</b>			
N Grants, Benefits & Client Services	55,930,000	57,047,000	112,977,000
<b><u>DSHS Source Code Detail</u></b>			
<b>Program 080</b>	<u><b>FY 1</b></u>	<u><b>FY 2</b></u>	<u><b>Total</b></u>
<b>Fund 001-1, General Fund - Basic Account-State</b>			
<u><b>Sources Title</b></u>			
0011 General Fund State	22,379,000	22,826,000	45,205,000
<i>Total for Fund 001-1</i>	<u>22,379,000</u>	<u>22,826,000</u>	<u>45,205,000</u>
<b>Fund 001-7, General Fund - Basic Account-Private/Local</b>			
<u><b>Sources Title</b></u>			
5417 Contributions & Grants	515,000	526,000	1,041,000
<i>Total for Fund 001-7</i>	<u>515,000</u>	<u>526,000</u>	<u>1,041,000</u>
<b>Fund 001-C, General Fund - Basic Account-DSHS Medicaid Federa</b>			
<u><b>Sources Title</b></u>			
19TA Title XIX Assistance (FMAP)	28,207,000	28,770,000	56,977,000
<i>Total for Fund 001-C</i>	<u>28,207,000</u>	<u>28,770,000</u>	<u>56,977,000</u>
<b>Fund 760-1, Health Services Account-State</b>			
<u><b>Sources Title</b></u>			
7601 Health Services Account	4,829,000	4,925,000	9,754,000
<i>Total for Fund 760-1</i>	<u>4,829,000</u>	<u>4,925,000</u>	<u>9,754,000</u>
<b>Total Program 080</b>	<u>55,930,000</u>	<u>57,047,000</u>	<u>112,977,000</u>

**2005-07 Biennium  
PL-LB Provider Rate Increase**

**Budget Calculations**

Source: AFRS

**Step 1:**

J90 - Refugee & Immigration Svs  
X50 - Medicaid - Cat Needy  
X51 - Medicaid Medically Needy  
X52 - State Only General Assist  
X55 - Indian Health Facilities  
X56 - Medicaid Family Planning  
X58 - Children's Health Insurance Program (CHIP)

**Total**

Expenditures SFY 03	SOF (SFY 2003)				
	State (001-1)	Federal (001-2)	Local (001-7)	HSA (760-1)	Trauma (03C-1)
1,790,638		1,790,638			
2,556,229,703	1,032,797,085	1,283,495,428	1,666,969	238,270,221	
123,936,003	60,418,834	63,497,038	20,131		
53,178,950	21,085,152	8,135,971	23,957,827		
15,274,283		15,274,283			
36,884,475	4,659,443	32,096,545	128,487		
9,256,987		6,044,141		3,212,846	
<b>2,796,551,038</b>	<b>1,118,960,515</b>	<b>1,410,334,043</b>	<b>25,773,414</b>	<b>241,483,066</b>	<b>0</b>

SFY 2006 Total 2% increase	SFY 2006 with 2% increase				
	State (001-1)	Federal (001-2)	Local (001-7)	HSA (760-1)	Trauma (03C-1)
0	0	0	0	0	0
51,160,000	20,656,000	25,706,000	33,000	4,765,000	0
2,478,000	1,208,000	1,270,000	0	0	0
1,064,000	422,000	163,000	479,000	0	0
305,000	0	305,000	0	0	0
738,000	93,000	642,000	3,000	0	0
185,000	0	121,000	0	64,000	0
<b>55,930,000</b>	<b>22,379,000</b>	<b>28,207,000</b>	<b>515,000</b>	<b>4,829,000</b>	<b>0</b>

SFY 2007 Total 2% increase	SFY 2007 with 2% increase				
	State (001-1)	Federal (001-2)	Local (001-7)	HSA (760-1)	Trauma (03C-1)
0	0	0	0	0	0
52,183,000	21,069,000	26,220,000	34,000	4,860,000	0
2,527,000	1,232,000	1,295,000	0	0	0
1,085,000	430,000	166,000	489,000	0	0
311,000	0	311,000	0	0	0
753,000	95,000	655,000	3,000	0	0
188,000	0	123,000	0	65,000	0
<b>57,047,000</b>	<b>22,826,000</b>	<b>28,770,000</b>	<b>526,000</b>	<b>4,925,000</b>	<b>0</b>

Department of Social and Health Services

DP Code/Title: PL-LC Part D Administration Costs

Program Level - 080 Medical Assistance

Budget Period: 2005-07 Version: H1 080 2005-07 Agency Req 2 YR

Recommendation Summary Text:

Beginning January 2006, Medicare beneficiaries will be able to obtain prescription drug coverage through the Medicare program. Low-income beneficiaries will be able to obtain subsidized coverage. The Department of Social and Health Services (DSHS) and local Social Security Administration (SSA) offices will be required to determine eligibility for the low-income assistance. DSHS will need additional resources to provide this service.

Fiscal Detail:

Operating Expenditures

	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
<b>Program 080</b>			
001-1 General Fund - Basic Account-State	309,000	275,000	584,000
001-C General Fund - Basic Account-DSHS Medicaid Federa	308,000	273,000	581,000
<b>Total Cost</b>	<b>617,000</b>	<b>548,000</b>	<b>1,165,000</b>

Staffing

	<u>FY 1</u>	<u>FY 2</u>	<u>Annual Avg</u>
<b>Program 080 FTEs</b>	<b>9.0</b>	<b>9.0</b>	<b>9.0</b>

Package Description:

The Medicare Prescription Drug, Improvement, and Modernization Act 2003 (MMA) created a new drug benefit-Part D of Medicare. The drug benefit begins January 2006. Full dual eligibility Medicaid clients (Medicare beneficiaries who are eligible for wraparound Medicaid services) will be required to obtain their drug coverage through Part D. Federal Medicaid funds will no longer be available for full dual eligible drug coverage. Full dual eligibles and other low-income beneficiaries will receive subsidies to pay for their drug expenditures. Medicare will pay for outpatient prescription drugs through private plans. Beneficiaries will be able to remain in traditional fee-for-service (FFS) programs and enroll separately in private prescription drug plans (PDP). They also can enroll in integrated Medicare Advantage (MA) plans for all Medicare-covered benefits including drugs. If two or more risk-bearing plans are not available (including at least one PDP), Medicare will contract with a "fallback" plan to serve beneficiaries in that area.

PDPs and MAs will be required to provide drugs in each drug therapeutic class. However, they may have formularies and preferred drug lists (PDL). They also can have a preferred network of pharmacies and reduce beneficiaries cost-sharing for drugs dispensed by the preferred pharmacies. PDPs and MAs can offer alternative benefit designs provided the alternative plan is actuarially equivalent and does not increase the Part D deductible or out-of-pocket. Plans may also offer supplemental benefits for an additional premium.

Under the "standard benefit", there will be a complex set of deductible, co-insurance and gap coverage and premium requirements. Beneficiaries will be required to pay the first \$250 of their drug costs (deductible). They will then be required to pay 25 percent of their total drug costs between \$250 and \$2,250. They will then pay 100 percent of their drug costs between \$2,250 and \$5,100. Thereafter, beneficiaries will pay the greater of \$2 for generics, \$5 brand drugs, or 5 percent coinsurance after reaching the \$5,100 catastrophic threshold. Beneficiaries will pay an estimated \$35 per month premium for the basic drug coverage. These cost-sharing requirements will be indexed over time.

Full dual eligible Medicaid clients (Medicare beneficiaries who are eligible for wraparound Medicaid services) will be required to obtain their drug coverage through Part D. Federal Medicaid funds will no longer be available for full dual eligible drug coverage. Full dual eligibles and other low-income beneficiaries will receive subsidies to pay for their drug expenditures.

Low-Income Assistance - Medicare will provide financial assistance to beneficiaries who qualify for low-income assistance.

Department of Social and Health Services

**DP Code/Title: PL-LC Part D Administration Costs**

**Program Level - 080 Medical Assistance**

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Budget Period: 2005-07      Version: H1 080 2005-07 Agency Req 2 YR

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The Central Budget Office (CBO) estimates that nationally about 14 million beneficiaries will be eligible for such coverage.

Full dual eligible beneficiaries will pay no premium or deductibles and no drug costs above the out-of-pocket threshold (\$2,250 in 2006). They will have to pay small copayments. Dual eligibles in institutions (e.g., nursing homes) will have no copayments.

Other low-income beneficiaries with incomes below 135 percent of the federal poverty level (FPL) and assets under \$6,000/single - \$9,000/couple will receive a subsidy to cover average premiums for basic benefits. They will pay \$2 to \$5 copayments with no deductibles and no cost-sharing above the out-of-pocket threshold. CBO estimates that nationally about 6 million beneficiaries will be eligible for such coverage.

Low-income beneficiaries with incomes between 135 percent and 150 percent of FPL and assets under \$10,000/single and \$20,000/couple will receive premium subsidies on a sliding scale. They will have a \$50 deductible, 15 percent coinsurance up to the out-of-pocket threshold, and \$2 to \$5 copayments above the threshold. CBO estimates that nationally about 2 million beneficiaries will be eligible for such coverage.

State Medicaid agencies will be required to make eligibility determinations for low-income subsidies (Section 1935(a) of the Social Security Act). The MMA law also requires that local SSA offices make eligibility determinations for low-income subsidies. It is not yet known whether local SSA offices will be required to refer persons applying for coverage to the state Medicaid agency if it appears that they would also qualify for Medicaid coverage.

DSHS will be required to determine if persons are eligible for subsidized assistance. The law also requires DSHS to screen for eligibility and enrollment in Medicaid for any Medicare cost-sharing (QMB, SLMB, ESLMB) coverage and Medicaid services offered under the Medicaid State Plan. The department will be required to conduct eligibility reviews after a period specified by the Secretary of Health and Human Services (HHS), but not more than one year. Redeterminations and appeals must be made in the same manner as such redeterminations and appeals are made to DSHS for Medicaid or SSA uses for the SSI program.

Based on available information, income determinations for the subsidy program are to be based on the same standards as the qualified Medicare beneficiary (QMB) program under Section 1905(p)(1)(B) of the Social Security Act. The resource standards are to be based on the requirements under Section 1613 for the Social Security Insurance (SSI) program, and do not exceed 3 times that maximum amount. The law also references an "alternative resource standard", which is not to exceed \$10,000 (or \$20,000 for a married couple). HHS also may permit states to use the same asset or resource methodologies used to determine eligibility for Medicaid for Medicare cost-sharing.

The Centers for Medicare and Medicaid Services (CMS) has not yet issued draft rules or policy directives on when states will be required to start conducting eligibility determinations. Based on available information, it is assumed that these activities will begin November 1, 2005.

Based on Washington State Population Survey (WSPS) data, there will be about 120,000 Washington State Medicare beneficiaries in 2006 with incomes below 150 percent of FPL and who are not dual eligibles. Most of these individuals will seek low-income assistance through either DSHS or their local SSA office.

[1] CBO referenced estimates on number of eligible low-income assistance beneficiaries are from the Kaiser Family Foundation documents, titled "Medicare - The Medicare Prescription Drug Law" (March 2004). The information on low-income assistance eligibility requirements is from the CCH document titled "Medicare Prescription Drug, Improvement, and Modernization Act of 2003 - Law and Explanation" (Second Edition, March 2004).

**Narrative Justification and Impact Statement**

Department of Social and Health Services

**DP Code/Title: PL-LC Part D Administration Costs**

**Program Level - 080 Medical Assistance**

Budget Period: 2005-07 Version: H1 080 2005-07 Agency Req 2 YR

***How contributes to strategic plan:***

Assisting low-income residents to have affordable prescription drug coverage contributes to the Priorities of Government (POG) goal to improve the health of Washington residents. It also supports DSHS Objective A.2 to improve the health of clients who need medical, mental or chemical dependency treatment services, Objective B.1 to provide services that reduce poverty and help people become self-sufficient, and Objective B.2 to provide support to encourage self-sufficiency.

While assisting low-income access drug coverage is consistent with POG and DSHS objectives, it is important to note that performing these eligibility determinations is a federal requirement for states to participate in the Medicaid program.

***Performance Measure Detail***

**Program: 080**

**Activity: H001 Administrative Costs**

No measures linked to package

**Incremental Changes**

**FY 1**

**FY 2**

0.00

0.00

***Reason for change:***

Conducting eligibility determinations for Medicare Part D low-income subsidies and screening for eligibility and enrollment in Medicaid for Medicare cost-sharing and Medicaid services is a new federal Medicaid program requirement (Section 1935(a) of the Social Security Act).

It also will help approximately 120,000 low-income Medicare beneficiaries have access to affordable prescription drug coverage.

***Impact on clients and services:***

Currently, DSHS is providing Medicaid drug coverage to over 90,000 dual eligible Medicare beneficiaries. The new Part D low-income subsidy program will expand affordable drug coverage to an additional 120,000 Medicare beneficiaries in 2006.

The advent of this subsidy program should reduce the number of persons enrolled in the Medicaid Medically Needy (MN) program. A primary reason for elderly and disabled persons in seeking MN coverage is to pay for their prescription drug expenditures. (NOTE: 93 percent of MN elderly persons are also Medicare beneficiaries and 75 percent of MN disabled persons are Medicare beneficiaries.) With the availability of affordable drug coverage, fewer Medicare beneficiaries will seek MN coverage and fewer will be eligible for MN due to spend-down.

The existence of the low-income program may result in currently unenrolled people applying for and being determined eligible for Medicare and Medicaid.

***Impact on other state programs:***

This decision package will likely reduce Medical Assistance Administration's (MAA) MN Aged, Blind and Disabled program expenditures and will increase CN Aged, Blind and Disabled program expenditures. These program costs will be addressed in the caseload forecast process, and will not be treated as a separate decision package.

***Relationship to capital budget:***

None

***Required changes to existing RCW, WAC, contract, or plan:***

Chapter 388-500 WAC will need to be amended to implement eligibility requirements for the Medicare low-income

Department of Social and Health Services

**DP Code/Title: PL-LC Part D Administration Costs**  
**Program Level - 080 Medical Assistance**

Budget Period: 2005-07    Version: H1 080 2005-07 Agency Req 2 YR  
assistance subsidy program. Washington's Medicaid State Plan also will need to be amended.

***Alternatives explored by agency:***

This is a federal (Section 1935(a) of the Social Security Act) requirement for states to participate in the federal Medicaid program.

***Budget impacts in future biennia:***

These costs will carry forward into future biennia.

***Distinction between one-time and ongoing costs:***

DSHS will incur start-up costs to modify its Automated Client Eligibility System (ACES) and Medicaid Management Information System (MMIS) to conduct low-income assistance eligibility determinations, screen for Medicaid coverage and transmit necessary eligibility to CMS. DSHS also will incur administrative costs to conduct eligibility determinations in 2005-07, which will be continued in the following biennium.

***Effects of non-funding:***

This is a federal Medicaid program requirement. The only option for not conducting these eligibility activities would be for the state to discontinue participation in the Medicaid program.

***Expenditure Calculations and Assumptions:***

The costs indicated in this request are preliminary as there are many unknown factors that would effect the caseload and workload. In addition, the IT cost for system changes in ACES and MMIS are also unknown at this point. MAA has convened an intra-agency workgroup to include Aging and Disability Services Administration and Economic Services Administration to analyze the fiscal impact of this new federal requirement.

<b><u>Object Detail</u></b>	<b><u>FY 1</u></b>	<b><u>FY 2</u></b>	<b><u>Total</u></b>
<b>Program 080 Objects</b>			
A    Salaries And Wages	331,000	331,000	662,000
B    Employee Benefits	98,000	98,000	196,000
E    Goods And Services	105,000	105,000	210,000
J    Capital Outlays	74,000	5,000	79,000
T    Intra-Agency Reimbursements	9,000	9,000	18,000
<b>Total Objects</b>	<b>617,000</b>	<b>548,000</b>	<b>1,165,000</b>

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**DSHS Source Code Detail**

Program 080		<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Fund 001-1, General Fund - Basic Account-State				
<b><u>Sources</u></b>	<b><u>Title</u></b>			
0011	General Fund State	309,000	275,000	584,000
<i>Total for Fund 001-1</i>		<b>309,000</b>	<b>275,000</b>	<b>584,000</b>
Fund 001-C, General Fund - Basic Account-DSHS Medicaid Federa				
<b><u>Sources</u></b>	<b><u>Title</u></b>			
19UL	Title XIX Admin (50%)	308,000	273,000	581,000
<i>Total for Fund 001-C</i>		<b>308,000</b>	<b>273,000</b>	<b>581,000</b>
<b>Total Program 080</b>		<b>617,000</b>	<b>548,000</b>	<b>1,165,000</b>

Department of Social and Health Services

**DP Code/Title: PL-LC Part D Administration Costs**

**Program Level - 080 Medical Assistance**

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**Recommendation Summary Text:**

Beginning January 2006, Medicare beneficiaries will be able to obtain prescription drug coverage through the Medicare program. Low-income beneficiaries will be able to obtain subsidized coverage. The Department of Social and Health Services (DSHS) and local Social Security Administration (SSA) offices will be required to determine eligibility for the low-income assistance. DSHS will need additional resources to provide this service.

**Fiscal Detail:**

**Operating Expenditures**

	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
<b>Overall Funding</b>			
001-1 General Fund - Basic Account-State	309,000	275,000	584,000
001-C General Fund - Basic Account-DSHS Medicaid Federa	308,000	273,000	581,000
<b>Total Cost</b>	<b>617,000</b>	<b>548,000</b>	<b>1,165,000</b>

**Staffing**

	<u>FY 1</u>	<u>FY 2</u>	<u>Annual Avg</u>
Agency FTEs	9.0	9.0	9.0

**Package Description:**

The Medicare Prescription Drug, Improvement, and Modernization Act 2003 (MMA) created a new drug benefit-Part D of Medicare. The drug benefit begins January 2006. Full dual eligible Medicaid clients (Medicare beneficiaries who are eligible for wraparound Medicaid services) will be required to obtain their drug coverage through Part D. Federal Medicaid funds will no longer be available for full dual eligible drug coverage. Full dual eligibles and other low-income beneficiaries will receive subsidies to pay for their drug expenditures. Medicare will pay for outpatient prescription drugs through private plans. Beneficiaries will be able to remain in traditional fee-for-service (FFS) programs and enroll separately in private prescription drug plans (PDP). They also can enroll in integrated Medicare Advantage (MA) plans for all Medicare-covered benefits including drugs. If two or more risk-bearing plans are not available (including at least one PDP), Medicare will contract with a "fallback" plan to serve beneficiaries in that area.

PDPs and MAs will be required to provide drugs in each drug therapeutic class. However, they may have formularies and preferred drug lists (PDL). They also can have a preferred network of pharmacies and reduce beneficiaries cost-sharing for drugs dispensed by the preferred pharmacies. PDPs and MAs can offer alternative benefit designs provided the alternative plan is actuarially equivalent and does not increase the Part D deductible or out-of-pocket. Plans may also offer supplemental benefits for an additional premium.

Under the "standard benefit", there will be a complex set of deductible, co-insurance and gap coverage and premium requirements. Beneficiaries will be required to pay the first \$250 of their drug costs (deductible). They will then be required to pay 25 percent of their total drug costs between \$250 and \$2,250. They will then pay 100 percent of their drug costs between \$2,250 and \$5,100. Thereafter, beneficiaries will pay the greater of \$2 for generics, \$5 brand drugs, or 5 percent coinsurance after reaching the \$5,100 catastrophic threshold. Beneficiaries will pay an estimated \$35 per month premium for the basic drug coverage. These cost-sharing requirements will be indexed over time.

Full dual eligible Medicaid clients (Medicare beneficiaries who are eligible for wraparound Medicaid services) will be required to obtain their drug coverage through Part D. Federal Medicaid funds will no longer be available for full dual eligible drug coverage. Full dual eligibles and other low-income beneficiaries will receive subsidies to pay for their drug expenditures.

Low-Income Assistance - Medicare will provide financial assistance to beneficiaries who qualify for low-income assistance.



Department of Social and Health Services

**DP Code/Title: PL-LC Part D Administration Costs**

**Program Level - 080 Medical Assistance**

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The Central Budget Office (CBO) estimates that nationally about 14 million beneficiaries will be eligible for such coverage.

Full dual eligible beneficiaries will pay no premium or deductibles and no drug costs above the out-of-pocket threshold (\$2,250 in 2006). They will have to pay small copayments. Dual eligibles in institutions (e.g., nursing homes) will have no copayments.

Other low-income beneficiaries with incomes below 135 percent of the federal poverty level (FPL) and assets under \$6,000/single - \$9,000/couple will receive a subsidy to cover average premiums for basic benefits. They will pay \$2 to \$5 copayments with no deductibles and no cost-sharing above the out-of-pocket threshold. CBO estimates that nationally about 6 million beneficiaries will be eligible for such coverage.

Low-income beneficiaries with incomes between 135 percent and 150 percent of FPL and assets under \$10,000/single and \$20,000/couple will receive premium subsidies on a sliding scale. They will have a \$50 deductible, 15 percent coinsurance up to the out-of-pocket threshold, and \$2 to \$5 copayments above the threshold. CBO estimates that nationally about 2 million beneficiaries will be eligible for such coverage.

State Medicaid agencies will be required to make eligibility determinations for low-income subsidies (Section 1935(a) of the Social Security Act). The MMA law also requires that local SSA offices make eligibility determinations for low-income subsidies. It is not yet known whether local SSA offices will be required to refer persons applying for coverage to the state Medicaid agency if it appears that they would also qualify for Medicaid coverage.

DSHS will be required to determine if persons are eligible for subsidized assistance. The law also requires DSHS to screen for eligibility and enrollment in Medicaid for any Medicare cost-sharing (QMB, SLMB, ESLMB) coverage and Medicaid services offered under the Medicaid State Plan. The department will be required to conduct eligibility reviews after a period specified by the Secretary of Health and Human Services (HHS), but not more than one year. Redeterminations and appeals must be made in the same manner as such redeterminations and appeals are made to DSHS for Medicaid or SSA uses for the SSI program.

Based on available information, income determinations for the subsidy program are to be based on the same standards as the qualified Medicare beneficiary (QMB) program under Section 1905(p)(1)(B) of the Social Security Act. The resource standards are to be based on the requirements under Section 1613 for the Social Security Insurance (SSI) program, and do not exceed 3 times that maximum amount. The law also references an "alternative resource standard", which is not to exceed \$10,000 (or \$20,000 for a married couple). HHS also may permit states to use the same asset or resource methodologies used to determine eligibility for Medicaid for Medicare cost-sharing.

The Centers for Medicare and Medicaid Services (CMS) has not yet issued draft rules or policy directives on when states will be required to start conducting eligibility determinations. Based on available information, it is assumed that these activities will begin November 1, 2005.

Based on Washington State Population Survey (WSPS) data, there will be about 120,000 Washington State Medicare beneficiaries in 2006 with incomes below 150 percent of FPL and who are not dual eligibles. Most of these individuals will seek low-income assistance through either DSHS or their local SSA office.

[1] CBO referenced estimates on number of eligible low-income assistance beneficiaries are from the Kaiser Family Foundation documents, titled "Medicare - The Medicare Prescription Drug Law" (March 2004). The information on low-income assistance eligibility requirements is from the CCH document titled "Medicare Prescription Drug, Improvement, and Modernization Act of 2003 - Law and Explanation" (Second Edition, March 2004).

**Narrative Justification and Impact Statement**

Department of Social and Health Services

**DP Code/Title: PL-LC Part D Administration Costs**

**Program Level - 080 Medical Assistance**

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***How contributes to strategic plan:***

Assisting low-income residents to have affordable prescription drug coverage contributes to the Priorities of Government (POG) goal to improve the health of Washington residents. It also supports DSHS Objective A.2 to improve the health of clients who need medical, mental or chemical dependency treatment services, Objective B.1 to provide services that reduce poverty and help people become self-sufficient, and Objective B.2 to provide support to encourage self-sufficiency.

While assisting low-income access drug coverage is consistent with POG and DSHS objectives, it is important to note that performing these eligibility determinations is a federal requirement for states to participate in the Medicaid program.

***Performance Measure Detail***

**Agency Level**

**Activity: H001 Administrative Costs**

No measures linked to package

**Incremental Changes**

**FY 1**

**FY 2**

0.00

0.00

***Reason for change:***

Conducting eligibility determinations for Medicare Part D low-income subsidies and screening for eligibility and enrollment in Medicaid for Medicare cost-sharing and Medicaid services is a new federal Medicaid program requirement (Section 1935(a) of the Social Security Act).

It also will help approximately 120,000 low-income Medicare beneficiaries have access to affordable prescription drug coverage.

***Impact on clients and services:***

Currently, DSHS is providing Medicaid drug coverage to over 90,000 dual eligible Medicare beneficiaries. The new Part D low-income subsidy program will expand affordable drug coverage to an additional 120,000 Medicare beneficiaries in 2006.

The advent of this subsidy program should reduce the number of persons enrolled in the Medicaid Medically Needy (MN) program. A primary reason for elderly and disabled persons in seeking MN coverage is to pay for their prescription drug expenditures. (NOTE: 93 percent of MN elderly persons are also Medicare beneficiaries and 75 percent of MN disabled persons are Medicare beneficiaries.) With the availability of affordable drug coverage, fewer Medicare beneficiaries will seek MN coverage and fewer will be eligible for MN due to spend-down.

The existence of the low-income program may result in currently unenrolled people applying for and being determined eligible for Medicare and Medicaid.

***Impact on other state programs:***

This decision package will likely reduce Medical Assistance Administration's (MAA) MN Aged, Blind and Disabled program expenditures and will increase CN Aged, Blind and Disabled program expenditures. These program costs will be addressed in the caseload forecast process, and will not be treated as a separate decision package.

***Relationship to capital budget:***

None

***Required changes to existing RCW, WAC, contract, or plan:***

Chapter 388-500 WAC will need to be amended to implement eligibility requirements for the Medicare low-income

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DP Code/Title: PL-LC Part D Administration Costs

Program Level - 080 Medical Assistance

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assistance subsidy program. Washington's Medicaid State Plan also will need to be amended.

*Alternatives explored by agency:*

This is a federal (Section 1935(a) of the Social Security Act) requirement for states to participate in the federal Medicaid program.

*Budget impacts in future biennia:*

These costs will carry forward into future biennia.

*Distinction between one-time and ongoing costs:*

DSHS will incur start-up costs to modify its Automated Client Eligibility System (ACES) and Medicaid Management Information System (MMIS) to conduct low-income assistance eligibility determinations, screen for Medicaid coverage and transmit necessary eligibility to CMS. DSHS also will incur administrative costs to conduct eligibility determinations in 2005-07, which will be continued in the following biennium.

*Effects of non-funding:*

This is a federal Medicaid program requirement. The only option for not conducting these eligibility activities would be for the state to discontinue participation in the Medicaid program.

*Expenditure Calculations and Assumptions:*

The costs indicated in this request are preliminary as there are many unknown factors that would effect the caseload and workload. In addition, the IT cost for system changes in ACES and MMIS are also unknown at this point. MAA has convened an intra-agency workgroup to include Aging and Disability Services Administration and Economic Services Administration to analyze the fiscal impact of this new federal requirement.

<u>Object Detail</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
<b>Overall Funding</b>			
A Salaries And Wages	331,000	331,000	662,000
B Employee Benefits	98,000	98,000	196,000
E Goods And Services	105,000	105,000	210,000
J Capital Outlays	74,000	5,000	79,000
T Intra-Agency Reimbursements	9,000	9,000	18,000
<b>Total Objects</b>	<b>617,000</b>	<b>548,000</b>	<b>1,165,000</b>

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DP Code/Title: PL-LC Part D Administration Costs  
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**DSHS Source Code Detail**

Overall Funding		<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Fund 001-1, General Fund - Basic Account-State				
<u>Sources</u>	<u>Title</u>			
0011	General Fund State	309,000	275,000	584,000
<i>Total for Fund 001-1</i>		<u>309,000</u>	<u>275,000</u>	<u>584,000</u>
Fund 001-C, General Fund - Basic Account-DSHS Medicaid Federa				
<u>Sources</u>	<u>Title</u>			
19UL	Title XIX Admin (50%)	308,000	273,000	581,000
<i>Total for Fund 001-C</i>		<u>308,000</u>	<u>273,000</u>	<u>581,000</u>
<b>Total Overall Funding</b>		<u>617,000</u>	<u>548,000</u>	<u>1,165,000</u>

Department of Social and Health Services

**DP Code/Title: PL-LD Hospital Recalibration**

**Program Level - 080 Medical Assistance**

Budget Period: 2005-07      Version: H1 080 2005-07 Agency Req 2 YR

**Recommendation Summary Text:**

Inpatient hospital payment methodology is currently being updated in accordance with Administrative Simplification requirements. This recalibration of hospital rates will change the relative reimbursement to hospitals, causing some hospitals to lose revenue on Medicaid reimbursement and some to gain revenue. This proposal would ensure that all hospitals receive at least the same amount of revenue under the new system as they did under the old.

**Fiscal Detail:**

**Operating Expenditures**

	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
<b>Program 080</b>			
001-1 General Fund - Basic Account-State	2,950,000	2,950,000	5,900,000
001-C General Fund - Basic Account-DSHS Medicaid Federa	2,950,000	2,950,000	5,900,000
<b>Total Cost</b>	<b>5,900,000</b>	<b>5,900,000</b>	<b>11,800,000</b>

**Staffing**

**Package Description:**

As part of the requirement to change reimbursement policies to become more consistent with other state agencies that pay for health care (Administrative Simplification), Medical Assistance Administration (MAA) is updating the payment methodology for inpatient hospital claims. This is known as "recalibration". The update will ensure that hospitals are paid for the services they provide and the level of technology that they have implemented.

The recalibration recognizes hospitals that proportionally serve more patients requiring a higher level of technology or service than they did at the last recalibration (which occurred in the early 1990s). Hospitals that are serving the same level of patients, or who were already serving the most severely injured patients, receive a proportionally lower amount of funding once the methodology is updated for the recalibration. This proposal would adjust those hospitals' rates to ensure that no hospital in Washington's system loses revenue due to the recalibration.

Hospitals whose revenue increases due to the recalibration would receive that revenue as part of their normal reimbursement process. Hospitals whose revenue does not increase due to the recalibration would have their rates adjusted to ensure that no revenue is lost due to the recalibration.

In addition, certain hospitals have agreed to levels of reimbursement that are lower than their normal reimbursement. These agreements would be eliminated because reimbursement levels will, in many cases, decrease below the agreed-to rates.

**Narrative Justification and Impact Statement**

***How contributes to strategic plan:***

Two elements of the Department of Social and Health Services' strategic plan are:

- 1) Maintain high standards for payment accuracy and appropriateness. This item will ensure that hospitals are paid fairly and appropriately, while at the same time ensuring that a change in payment methodology does not inappropriately affect payment rates.
- 2) Maximize interagency coordination in reimbursement systems. MAA has been mandated to bring reimbursement systems up to the level of other agencies providing health care services (Health Care Authority and Labor and Industries). This

Department of Social and Health Services

**DP Code/Title: PL-LD Hospital Recalibration**  
**Program Level - 080 Medical Assistance**

Budget Period: 2005-07 Version: H1 080 2005-07 Agency Req 2 YR

change will bring MAA into compliance with the Administrative Simplification mandate while ensuring that hospitals are not negatively affected by the change.

Performance Measures:

-Prudent Purchaser of Health Care Services

*Performance Measure Detail*

**Program: 080**

**Activity: H056 Mandatory Medicaid Program for Children and Families**

No measures linked to package

Incremental Changes

FY 1

FY 2

0.00

0.00

Incremental Changes

FY 1

FY 2

0.00

0.00

Incremental Changes

FY 1

FY 2

0.00

0.00

Incremental Changes

FY 1

FY 2

0.00

0.00

**Activity: H058 Medicaid Program for Aged, Blind and Disabled**

No measures linked to package

**Activity: H066 Optional Health Benefits: Dental, Vision, and Hearing**

No measures linked to package

*Reason for change:*

MAA is required to comply with Administrative Simplification mandates to bring hospital reimbursement methodology into line with other agencies providing health care services. The recalibration meets this requirement. This request ensures that hospitals' revenue from MAA is not affected by the required reimbursement change.

*Impact on clients and services:*

If funded, there will be no impact on clients and services. If this proposal is not funded, certain hospitals may be forced to limit or eliminate certain services provided due to a lack of revenue.

*Impact on other state programs:*

None

*Relationship to capital budget:*

None

*Required changes to existing RCW, WAC, contract, or plan:*

None

*Alternatives explored by agency:*

Alternatives: 1) Change payment methodology, allowing hospitals' revenue to be affected negatively. This could affect access for MAA clients, or the hospitals' ability to provide services to the community.

2) Change payment methodology, ensuring that all hospitals receive the same revenue as they did before the change. This will not recognize hospitals that are caring for patients requiring more technology or services, and that are upgrading their facilities to take on this responsibility. Hospitals should be paid appropriately for the services that they provide.

Department of Social and Health Services

DP Code/Title: PL-LD Hospital Recalibration  
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*Budget impacts in future biennia:*

This increase will be recognized in forecasted expenditures in future biennia.

*Distinction between one-time and ongoing costs:*

This is an ongoing cost.

*Effects of non-funding:*

If the request is not funded, MAA will be forced to choose alternative option one or two (see above). The methodology change is mandated by Administrative Simplification.

*Expenditure Calculations and Assumptions:*

See attachment - MAA PL-LD Hospital Recalibration.xls

<u>Object Detail</u>		<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Program 080 Objects				
N	Grants, Benefits & Client Services	5,900,000	5,900,000	11,800,000
 <u>DSHS Source Code Detail</u>				
Program 080		<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Fund 001-1, General Fund - Basic Account-State				
<u>Sources Title</u>				
0011	General Fund State	2,950,000	2,950,000	5,900,000
Total for Fund 001-1		2,950,000	2,950,000	5,900,000
 Fund 001-C, General Fund - Basic Account-DSHS Medicaid Federa				
<u>Sources Title</u>				
19TA	Title XIX Assistance (FMAP)	2,950,000	2,950,000	5,900,000
Total for Fund 001-C		2,950,000	2,950,000	5,900,000
Total Program 080		5,900,000	5,900,000	11,800,000



## 2005-07 Biennium

05/07 PL LD Hospital Recalibration



## 2005-07 Biennium

MAA PL- LD Hospital Recalibration.xls

Department of Social and Health Services

**DP Code/Title: PL-PA Electronic Intrusion Prevention**

**Program Level - 080 Medical Assistance**

Budget Period: 2005-07 Version: H1 080 2005-07 Agency Req 2 YR

**Recommendation Summary Text:**

Secure the Department of Social and Health Services (DSHS) networked environment against intrusion. This solution is designed to protect against zero-day or minimum-day exploits, aid in securing the remote access environment, as well as a large variety of known and unknown attacks. This significantly enhances protection of confidential client information, as well as state resources, both equipment and staff time.

**Fiscal Detail:**

**Operating Expenditures**

	<b><u>FY 1</u></b>	<b><u>FY 2</u></b>	<b><u>Total</u></b>
<b>Program 080</b>			
001-1 General Fund - Basic Account-State	25,000	3,000	28,000
001-C General Fund - Basic Account-DSHS Medicaid Federa	24,000	3,000	27,000
<b>Total Cost</b>	<b>49,000</b>	<b>6,000</b>	<b>55,000</b>

**Staffing**

**Package Description:**

Under the current DSHS network design, client data and computer systems are protected by a combination information technology policy and standards, staff security awareness training, an agency firewall, agency required anti-virus protection, and program area patch management processes.

The patch management processes, following industry best practices, and agency policy are a combination of assessment, testing and implementation of any new software patches related to computer systems currently in use within DSHS. This process requires extensive time (a minimum of six business days) to implement correctly, so that the patching process does not compromise the security and functionality of critical Client Service systems. DSHS has a vast, complex computing environment of inter-dependent systems, this patching process cannot address attacks that would occur in less than the six business days from the patch release date (minimum-day attack.)

In addition, no patching process can address attacks that occur before the patch is released. These attacks that occur on the same day as identification of a vulnerability or before a patch is released are known as zero-day attacks. One attack has already been successfully implemented against a software package not used by DSHS. In this case, the attack deleted the contents of the hard drives of any computer running that particular application.

Another vulnerability this decision package addresses is remote access machines. With over 3,400 remote access users, including business partners, management of this security vulnerability is critical in maintaining the integrity of the DSHS network, and the associated State Government Network (SGN). This solution will provide DSHS a controlled method of mitigating the risk.

This solution is designed to block all attacks that would cause a computer to execute abnormal behaviors or commands. In doing so, it can successfully stop zero-day, and minimum-day attacks, even without agency knowledge of what the attack might be.

**Narrative Justification and Impact Statement**

***How contributes to strategic plan:***

This solution would help the agency meet their strategic goals of improving accessibility and service integration, as well as

Department of Social and Health Services

**DP Code/Title: PL-PA Electronic Intrusion Prevention**

**Program Level - 080 Medical Assistance**

Budget Period: 2005-07 Version: H1 080 2005-07 Agency Req 2 YR

improving customer service. DSHS client services are increasingly offered in the Internet venue, in response to the agency's desire to provide services to clients when and where clients want them. In addition, management of client case files is accomplished through computer systems utilized by staff. By implementing this proposal, the agency can reduce the interruption of services due to cyber attacks on critical agency infrastructure and systems, thus improving accessibility to online services and ready access to data for staff.

**Performance Measure Detail**

**Program: 080**

**Activity: P001 Information Systems Services**

No measures linked to package

**Incremental Changes**

**FY 1**

0.00

**FY 2**

0.00

**Reason for change:**

DSHS does not currently have a solution that would address risks from zero-day or minimum-day type attacks. In addition, while there are policies and standards to address remote access vulnerabilities, application of the policies and standards by remote users is not consistent. The intent of this solution is to mitigate risks from these types of attack, to reduce the probability of interruptions in service, whether from staff lack of access to critical systems or client access to online services.

**Impact on clients and services:**

This proposal will reduce the departments' vulnerability to various types of cyber attack and improve systems' up-time. This request is to fix a current vulnerability within DSHS Information Technology infrastructure.

**Impact on other state programs:**

Virtually all state agencies are on the SGN. Vulnerabilities in one agency's network can impact other state agencies, whether the network is a source of infection, generating denial of service type traffic or interrupting and impairing the efficient and effective flow of traffic across the SGN.

DSHS intends to implement a self-contained solution, such that results are not dependent on services from other agencies. This includes the quarantine process for secluding un-patched or infected machines.

**Relationship to capital budget:**

None

**Required changes to existing RCW, WAC, contract, or plan:**

None

**Alternatives explored by agency:**

This solution is intended to strengthen the department's ability to achieve its results efficiently and effectively. Effective security follows a layered approach. This means stacking/implementing multiple layers of security to gain the best protection. Layers already implemented include:

Agency IT Security Policies and Standards: This lays out how security will be implemented by both managers and individual staff. It details how data and systems are accessed, shared and managed.

Security Awareness Training: This supplements the policy and standards, providing an annual reminder of each individual's responsibility for maintaining the security of data and systems.

Department of Social and Health Services

**DP Code/Title: PL-PA Electronic Intrusion Prevention**

**Program Level - 080 Medical Assistance**

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Agency Firewall: Designed to minimize external access into the protected network. This cannot protect against holes opened to allow for valid business applications.

Anti-virus Protection: This assesses valid traffic for malicious content. Anti-virus solutions require updating as new exploits are released.

Patch Management Process: This process is designed to apply software patches to computer applications when vulnerabilities are identified. As noted above, this process takes a minimum of six business days to safely apply appropriate patches.

Each of these layers addresses a different type of vulnerability. The ability to stop minimum-day or zero-day attacks is not addressed by the existing solutions. The currently available solutions for this problem are intrusion detection and intrusion prevention tools. The intrusion detection solutions require significantly greater staff support and has many false positives. These false positives can prevent valid applications/traffic from running.

***Budget impacts in future biennia:***

Expenditures are primarily up front. The only ongoing costs will be the annual software maintenance fee.

***Distinction between one-time and ongoing costs:***

One-time costs include initial purchase of the software and related hardware in addition to vendor support for implementation. Ongoing costs consist of an annual maintenance fee of approximately 15 percent of the software purchase price.

***Effects of non-funding:***

An attack is a discussion of when, not if. Non-funding continues to expose DSHS to cyber attack. There have been numerous attacks (Nimda, Code Red, Slammer, Blaster, etc.) with no negative payload other than generating a Denial of Service. It is just a matter of time before destructive attacks occur. There has already been one example which attacked software not used by DSHS. In that instance, any computer running the vulnerable software had the hard drive erased.

The net result could be unavailability of systems to both staff and to clients seeking to access DSHS online services.

***Expenditure Calculations and Assumptions:***

Operating Expenditures

Overall Funding	FY 1	FY 2	Total
Software	1,806,000	295,000	2,101,000
Hardware	43,000	0	43,000
Vendor Support	606,000	0	606,000
TOTAL	2,455,000	295,000	2,750,000

Staffing	FY 1	FY 2	Total
Agency FTEs	0.0	0.0	0.0

The cost of the Agency Electronic Intrusion Prevention Solution will be distributed across the agency.

See Attachment - AW PL-PA Electronic Intrusion Prevention.xls

Department of Social and Health Services

DP Code/Title: PL-PA Electronic Intrusion Prevention  
Program Level - 080 Medical Assistance

Budget Period: 2005-07 Version: H1 080 2005-07 Agency Req 2 YR

<u>Object Detail</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Program 080 Objects			
T Intra-Agency Reimbursements	49,000	6,000	55,000

DSHS Source Code Detail

Program 080	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Fund 001-1, General Fund - Basic Account-State			
<u>Sources Title</u>			
0011 General Fund State	25,000	3,000	28,000
<i>Total for Fund 001-1</i>	<u>25,000</u>	<u>3,000</u>	<u>28,000</u>
Fund 001-C, General Fund - Basic Account-DSHS Medicaid Federa			
<u>Sources Title</u>			
19TA Title XIX Assistance (FMAP)	24,000	3,000	27,000
<i>Total for Fund 001-C</i>	<u>24,000</u>	<u>3,000</u>	<u>27,000</u>
<b>Total Program 080</b>	<u>49,000</u>	<u>6,000</u>	<u>55,000</u>

# 2005-07 Biennium

## PL-PA Electronic Intrusion Prevention

		PL-PA TZ Distribution		PL-PA TZ Distribution (Rounded)	
		FY06	FY07	FY06	FY07
010 Children and Family Services	17.12%	420,323	50,431	420,000	51,000
020 Juvenile Rehabilitation	2.65%	65,062	7,806	65,000	8,000
030 Mental Health	2.20%	54,014	6,481	54,000	6,000
040 Developmental Disabilities	3.76%	92,314	11,076	92,000	11,000
050 Aging and Adult Services	5.30%	130,123	15,612	130,000	16,000
060 Economic Services	56.89%	1,396,741	167,583	1,397,000	167,000
070 Alcohol and Substance Abuse	0.37%	9,084	1,090	9,000	1,000
080 Medical Assistance	1.98%	48,612	5,833	49,000	6,000
100 Vocational Rehabilitation	2.09%	51,313	6,157	51,000	6,000
110 Management Services	7.64%	187,574	22,506	188,000	23,000
	100.00%	2,455,160	294,575	2,455,000	295,000



# **Special Reports**

## **B9 Revenue Estimate System**

### **Medical Assistance**

**DSHS BUDGET DIVISION**



State of Washington  
Department of Social and Health Services  
**Agency Revenues - Details by Program**

**Budget Period:** 2005-07      **Version:** 11 2005-07 Agency Request Budget      **Program:** 080 - Medical Assistance      **Supporting and Non Supporting Revenue**      **Show DP Detail**

CODES		DECISION PACKAGE	CURRENT BIENNIUM		MAINTENANCE LEVEL/ CARRY FORWARD LEVEL		ENSUING BIENNIUM	
FUND	SOURCE	SOURCE TITLE	FY 2004	FY 2005	FY 2006	FY 2007	FY 2006	FY 2007
<b>001</b>								
001-2	0393	Depart of Health & Human Serv						
001-2	566	Refugee & Entrant Assist-St Admin'd Prog(D)(100%) - 566B	3,596,000	3,505,000	3,596,000	3,505,000	2,527,000	2,455,000
001-2	566	Refugee & Entrant Assist-St Admin'd Prog(D)(100%) - 566B			(65,000)			
001-2	566	Refugee & Entrant Assist-St Admin'd Prog(D)(100%) - 566B			(1,074,000)	(650,000)		
001-2	566	Refugee & Entrant Assist-St Admin'd Prog(D)(100%) - 566B			70,000	(400,000)		
001-2	566	Refugee & Entrant Assist-St Admin'd Prog(D)(100%) - 566B					74,000	152,000
001-2	566	Refugee & Entrant Assist-St Admin'd Prog(D)(100%) - 566B						
		<b>Subtotal for DSHS Source 566B</b>	<b>3,596,000</b>	<b>3,505,000</b>	<b>2,527,000</b>	<b>2,455,000</b>	<b>2,601,000</b>	<b>2,607,000</b>
		<b>Subtotal Subsource 566</b>	<b>3,596,000</b>	<b>3,505,000</b>	<b>2,527,000</b>	<b>2,455,000</b>	<b>2,601,000</b>	<b>2,607,000</b>
001-2	767	Children's Health Ins Prog (CHIP) - 767H	37,491,000	45,851,000	37,491,000	45,851,000	13,125,000	13,365,000
001-2	767	Children's Health Ins Prog (CHIP) - 767H			(4,802,000)	(13,154,000)		
001-2	767	Children's Health Ins Prog (CHIP) - 767H			6,212,000	6,112,000		
001-2	767	Children's Health Ins Prog (CHIP) - 767H			(25,776,000)	(25,444,000)		
001-2	767	Children's Health Ins Prog (CHIP) - 767H						75,000
		<b>Subtotal for DSHS Source 767H</b>	<b>37,491,000</b>	<b>45,851,000</b>	<b>13,125,000</b>	<b>13,365,000</b>	<b>13,125,000</b>	<b>13,440,000</b>
		<b>Subtotal Subsource 767</b>	<b>37,491,000</b>	<b>45,851,000</b>	<b>13,125,000</b>	<b>13,365,000</b>	<b>13,125,000</b>	<b>13,440,000</b>
001-C	778	Title XIX Assistance (FMAP) - 19TA	1,709,470,000	1,701,833,000	1,709,470,000	1,701,833,000	1,752,546,000	1,860,883,000

## Agency Revenues - Details by Program

Budget Period: 2005-07

Version: 11 2005-07 Agency Request Budget

Program: 080 - Medical Assistance

Show DP Detail

Supporting and Non Supporting Revenue

CODES		DECISION PACKAGE	CURRENT BIENNIUM		ENSUING BIENNIUM		
FUND	SOURCE	SOURCE TITLE			MAINTENANCE LEVEL/ CARRY FORWARD LEVEL	PERFORMANCE LEVEL	
			FY 2004	FY 2005	FY 2006	FY 2007	FY 2007
001-C	778	Title XIX Assistance (FMAP) - 19TA			(6,124,000)	(110,000)	
001-C	778	Title XIX Assistance (FMAP) - 19TA			44,375,000	154,294,000	
001-C	778	Title XIX Assistance (FMAP) - 19TA			23,043,000	22,496,000	
001-C	778	Title XIX Assistance (FMAP) - 19TA			(18,218,000)	(17,630,000)	
001-C	778	Title XIX Assistance (FMAP) - 19TA					524,000
001-C	778	Title XIX Assistance (FMAP) - 19TA					(1,380,000)
001-C	778	Title XIX Assistance (FMAP) - 19TA				1,372,000	
001-C	778	Title XIX Assistance (FMAP) - 19TA				14,652,000	30,216,000
001-C	778	Title XIX Assistance (FMAP) - 19TA				1,000,000	1,000,000
001-C	778	Title XIX Assistance (FMAP) - 19TA				109,000	109,000
001-C	778	Title XIX Assistance (FMAP) - 19TA				489,000	1,161,000
001-C	778	Title XIX Assistance (FMAP) - 19TA					2,376,000
001-C	778	Title XIX Assistance (FMAP) - 19TA					720,000
001-C	778	Title XIX Assistance (FMAP) - 19TA				28,207,000	28,770,000
001-C	778	Title XIX Assistance (FMAP) - 19TA					2,950,000
001-C	778	Title XIX Assistance (FMAP) - 19TA					3,000
Subtotal for DSHS Source 19TA			1,709,470,000	1,701,833,000	1,752,546,000	1,860,883,000	1,927,332,000

## Agency Revenues - Details by Program

Show DP Detail

Budget Period: 2005-07

Version: 11 2005-07 Agency Request Budget

Program: 080 - Medical Assistance

Supporting and Non Supporting Revenue

CODES		DECISION PACKAGE	CURRENT BIENNIUM		ENSUING BIENNIUM		
FUND	SOURCE		SOURCE TITLE		MAINTENANCE LEVEL/ CARRY FORWARD LEVEL		PERFORMANCE LEVEL
			FY 2004	FY 2005	FY 2006	FY 2007	FY 2006
001-C	778		12,436,000	11,904,000	12,436,000	11,904,000	6,000,000
001-C	778	CL-00			(1,117,000)		
001-C	778	M1-93			(5,733,000)	(5,747,000)	
001-C	778	M2-9Z			414,000	(157,000)	
			12,436,000	11,904,000	6,000,000	6,000,000	6,000,000
001-C	778		33,541,000	36,434,000	33,541,000	36,434,000	36,882,000
001-C	778	CL-00			1,557,000		
001-C	778	M1-93			3,128,000	2,703,000	
001-C	778	M2-9Z			(1,344,000)	(2,138,000)	
			33,541,000	36,434,000	36,882,000	36,999,000	36,999,000
001-C	778		(322,000)	(1,077,000)	(322,000)	(1,077,000)	
001-C	778	M2-9Z			322,000	1,077,000	
			(322,000)	(1,077,000)			
001-C	778		4,641,000	17,680,000	4,641,000	17,680,000	21,799,000
001-C	778	CL-00			(2,717,000)	(15,041,000)	
001-C	778	M2-9Z			1,218,000	605,000	
001-C	778	M2-HA			24,781,000	18,555,000	

**Department of Social and Health Services  
Agency Revenues - Details by Program**

Budget Period: 2005-07

Show DP Detail

Version: 11 2005-07 Agency Request Budget

Supporting and Non Supporting Revenue

Program: 080 - Medical Assistance

CODES		DECISION PACKAGE	CURRENT BIENNIUM		ENSUING BIENNIUM		
FUND	SOURCE	SOURCE TITLE			MAINTENANCE LEVEL/ CARRY FORWARD LEVEL		PERFORMANCE LEVEL
			FY 2004	FY 2005	FY 2006	FY 2007	FY 2007
		Subtotal for DSHS Source 19UD	4,641,000	17,680,000	27,923,000	21,799,000	21,799,000
001-C	778	Title XIX Admin (75%) - 19UG	19,370,000	12,944,000	19,370,000	12,944,000	11,318,500
001-C	778	Title XIX Admin (75%) - 19UG			(14,817,000)	(1,338,000)	
001-C	778	Title XIX Admin (75%) - 19UG			319,500	280,500	
001-C	778	Title XIX Admin (75%) - 19UG			9,323,000	(2,644,000)	
001-C	778	Title XIX Admin (75%) - 19UG				1,249,000	
001-C	778	Title XIX Admin (75%) - 19UG			1,479,000	827,000	
001-C	778	Title XIX Admin (75%) - 19UG					136,000
		Subtotal for DSHS Source 19UG	19,370,000	12,944,000	15,674,500	11,318,500	11,454,500
001-C	778	Title XIX Admin (50%) - 19UL	92,454,000	86,229,000	92,454,000	86,229,000	93,254,500
001-C	778	Title XIX Admin (50%) - 19UL			2,407,000	1,327,000	
001-C	778	Title XIX Admin (50%) - 19UL			628,500	560,500	
001-C	778	Title XIX Admin (50%) - 19UL			46,000	130,000	
001-C	778	Title XIX Admin (50%) - 19UL			(1,485,000)	(1,485,000)	
001-C	778	Title XIX Admin (50%) - 19UL			(7,343,000)	6,423,000	
001-C	778	Title XIX Admin (50%) - 19UL			72,000	47,000	
001-C	778	Title XIX Admin (50%) - 19UL			500,000	23,000	

# Department of Social and Health Services Agency Revenues - Details by Program

Show DP Detail

Budget Period: 2005-07

Version: 11 2005-07 Agency Request Budget

Supporting and Non Supporting Revenue

Program: 080 - Medical Assistance

CODES		DECISION PACKAGE	CURRENT BIENNIUM		ENSUING BIENNIUM		
FUND	SOURCE	SOURCE TITLE			MAINTENANCE LEVEL/ CARRY FORWARD LEVEL		PERFORMANCE LEVEL
			FY 2004	FY 2005	FY 2006	FY 2007	FY 2007
001-C	778	Title XIX Admin (50%) - 19UL				(1,000)	(1,000)
001-C	778	Title XIX Admin (50%) - 19UL				35,000	62,000
001-C	778	Title XIX Admin (50%) - 19UL				93,000	84,000
001-C	778	Title XIX Admin (50%) - 19UL				(9,061,000)	(9,060,000)
001-C	778	Title XIX Admin (50%) - 19UL				374,000	367,000
001-C	778	Title XIX Admin (50%) - 19UL				308,000	273,000
		Subtotal for DSHS Source 19UL	92,454,000	86,229,000	87,279,500	93,254,500	84,979,500
		Subtotal Subsource 778	1,871,590,000	1,865,947,000	1,926,305,000	2,030,254,000	2,088,564,000
		Subtotal Source 0393	1,912,677,000	1,915,303,000	1,941,957,000	2,046,074,000	2,104,611,000
001-2	0396	Social Security Administration					
001-2	001	Social Security Disability Ins (100%) - 001B	31,872,000	32,935,000	31,872,000	32,935,000	34,092,000
001-2	001	Social Security Disability Ins (100%) - 001B			965,000	(80,000)	
001-2	001	Social Security Disability Ins (100%) - 001B				68,000	
001-2	001	Social Security Disability Ins (100%) - 001B			481,000	987,000	
001-2	001	Social Security Disability Ins (100%) - 001B			73,000	182,000	
		Subtotal for DSHS Source 001B	31,872,000	32,935,000	33,391,000	34,092,000	34,092,000
		Subtotal Subsource 001	31,872,000	32,935,000	33,391,000	34,092,000	34,092,000



## Agency Revenues - Details by Program

Show DP Detail

Budget Period: 2005-07

Version: 11 2005-07 Agency Request Budget

Program: 080 - Medical Assistance

Supporting and Non Supporting Revenue

CODES		DECISION PACKAGE	CURRENT BIENNIUM		ENSUING BIENNIUM		
FUND	SOURCE	SOURCE TITLE			MAINTENANCE LEVEL/ CARRY FORWARD LEVEL		PERFORMANCE LEVEL
			FY 2004	FY 2005	FY 2006	FY 2007	FY 2006
							FY 2007
<b>Subtotal Source 0396</b>			31,872,000	32,935,000	33,391,000	34,092,000	34,092,000
001	0405	Fines and Forfeits					
001	0405	State & Misc Revenue					299,774
001	0405	State & Misc Revenue			299,774	299,774	
		<b>Subtotal for DSHS Source</b>			299,774	299,774	299,774
		<b>Subtotal Subsource</b>			299,774	299,774	299,774
		<b>Subtotal Source 0405</b>			299,774	299,774	299,774
001	0409	Local Investment/Interest Income					
001	0409	State & Misc Revenue					1,131,345
001	0409	State & Misc Revenue			1,131,345	1,131,345	
		<b>Subtotal for DSHS Source</b>			1,131,345	1,131,345	1,131,345
		<b>Subtotal Subsource</b>			1,131,345	1,131,345	1,131,345
		<b>Subtotal Source 0409</b>			1,131,345	1,131,345	1,131,345
001	0486	Recov of Prior Appropriation Exp					
001	0486	State & Misc Revenue					8,125,167
001	0486	State & Misc Revenue			8,125,167	8,125,167	

## Department of Social and Health Services Agency Revenues - Details by Program

Version: 11 2005-07 Agency Request Budget

**Program:** 080 - Medical Assistance

### Supporting and Non Supporting Revenue

CODES			DECISION PACKAGE	CURRENT BIENNIUM		ENSUING BIENNIUM			
FUND	SOURCE	SOURCE TITLE				MAINTENANCE LEVEL/ CARRY FORWARD LEVEL		PERFORMANCE LEVEL	
				FY 2004	FY 2005	FY 2006	FY 2007	FY 2006	FY 2007
						8,125,167	8,125,167	8,125,167	8,125,167
		Subtotal for DSHS Source				8,125,167	8,125,167	8,125,167	8,125,167
		Subtotal Subsource				8,125,167	8,125,167	8,125,167	8,125,167
		Subtotal Source 0486				8,125,167	8,125,167	8,125,167	8,125,167
001	0499	Other Revenue							
001	0499	State & Misc Revenue	PL-HP					68,000	62,000
001-7	0541	Contributions and Grants							
001-7	000	Contributions & Grants - 5417		130,330,000	147,966,000	130,330,000	147,966,000	147,966,000	147,966,000
001-7	000	Contributions & Grants - 5417	CL-00			17,636,000			
001-7	000	Contributions & Grants - 5417	PL-LB					515,000	526,000
		Subtotal for DSHS Source 5417		130,330,000	147,966,000	147,966,000	147,966,000	148,481,000	148,492,000
		Subtotal Subsource 000		130,330,000	147,966,000	147,966,000	147,966,000	148,481,000	148,492,000
		Subtotal Source 0541		130,330,000	147,966,000	147,966,000	147,966,000	148,481,000	148,492,000
		Total Fund 001		2,074,879,000	2,096,204,000	2,132,870,286	2,237,688,286	2,173,754,286	2,296,813,286
760									
760	0486	Recov of Prior Appropriation Exp							
760	0486	State & Misc Revenue						66,364	66,364

## Agency Revenues - Details by Program

Budget Period: 2005-07

Version: 11 2005-07 Agency Request Budget

Program: 080 - Medical Assistance

Show DP Detail

Supporting and Non Supporting Revenue

CODES			DECISION PACKAGE	CURRENT BIENNIUM		ENSUING BIENNIUM			
FUND	SOURCE	SOURCE TITLE				MAINTENANCE LEVEL/ CARRY FORWARD LEVEL		PERFORMANCE LEVEL	
				FY 2004	FY 2005	FY 2006	FY 2007	FY 2006	FY 2007
760	0486	State & Misc Revenue	CL-YA			66,364	66,364		
		Subtotal for DSHS Source				66,364	66,364	66,364	66,364
		Subtotal Subsource				66,364	66,364	66,364	66,364
		Subtotal Source 0486				66,364	66,364	66,364	66,364
760	0499	Other Revenue							
760	0499	State & Misc Revenue						215,103,143	215,103,143
760	0499	State & Misc Revenue	CL-YA			215,103,143	215,103,143		
		Subtotal for DSHS Source				215,103,143	215,103,143	215,103,143	215,103,143
		Subtotal Subsource				215,103,143	215,103,143	215,103,143	215,103,143
		Subtotal Source 0499				215,103,143	215,103,143	215,103,143	215,103,143
		Total Fund 760				215,169,507	215,169,507	215,169,507	215,169,507



# **Special Reports**

## **Federal Funding Estimates**

### **Medical Assistance**

**DSHS BUDGET DIVISION**

**Federal Funding Estimates Summary(Maintenance Level) by Program**

Version: 11		Federal Fiscal Year (Federal \$)	State Fiscal Year (Federal \$)	State Fiscal Year (State Share \$)
<b>Program: 080 Medical Assistance</b>				
<b>Health &amp; Human Svc</b>				
93.566	Refugee/Ent (100%)			
	FY 2004	\$3,573,250	\$3,596,000	\$0
	FY 2005	\$3,260,500	\$3,505,000	\$0
	FY 2006	\$2,509,000	\$2,527,000	\$0
	FY 2007	\$2,455,000	\$2,455,000	\$0
93.767	CHIP (CHIP)			
	FY 2004	\$39,581,000	\$37,491,000	\$19,904,900
	FY 2005	\$37,669,500	\$45,851,000	\$24,623,944
	FY 2006	\$13,185,000	\$13,125,000	\$7,067,308
	FY 2007	\$13,365,000	\$13,365,000	\$7,196,538
93.778	T19 Assist (FMAP)			
	FY 2004	\$1,707,560,750	\$1,709,470,000	\$1,678,974,208
	FY 2005	\$1,714,511,250	\$1,701,833,000	\$1,695,717,632
	FY 2006	\$1,779,630,250	\$1,752,546,000	\$1,752,545,952
	FY 2007	\$1,860,883,000	\$1,860,883,000	\$1,860,882,960
93.778	T19 Assist (100%)			
	FY 2004	\$12,303,000	\$12,436,000	\$0
	FY 2005	\$10,428,000	\$11,904,000	\$0
	FY 2006	\$6,000,000	\$6,000,000	\$0
	FY 2007	\$6,000,000	\$6,000,000	\$0
93.778	T19 Assist (90%)			
	FY 2004	\$34,264,250	\$33,541,000	\$3,726,779
	FY 2005	\$36,546,000	\$36,434,000	\$4,048,223
	FY 2006	\$36,911,250	\$36,882,000	\$4,098,001
	FY 2007	\$36,999,000	\$36,999,000	\$4,111,001
93.778	T19 Assist (var%s)			
	FY 2004	(\$510,750)	(\$322,000)	\$318,780
	FY 2005	(\$807,750)	(\$1,077,000)	\$1,066,230
	FY 2006	\$0	\$0	\$0
	FY 2007	\$0	\$0	\$0
93.778	T19 Admin (90%)			
	FY 2004	\$7,900,750	\$4,641,000	\$515,667
	FY 2005	\$20,240,750	\$17,680,000	\$1,964,445
	FY 2006	\$26,392,000	\$27,923,000	\$3,102,556
	FY 2007	\$21,799,000	\$21,799,000	\$2,422,112
93.778	T19 Admin (75%)			
	FY 2004	\$17,763,500	\$19,370,000	\$6,456,667
	FY 2005	\$13,626,625	\$12,944,000	\$4,314,667
	FY 2006	\$14,585,500	\$15,674,500	\$5,224,833
	FY 2007	\$11,318,500	\$11,318,500	\$3,772,833
93.778	T19 Admin (50%)			
	FY 2004	\$90,897,750	\$92,454,000	\$92,454,000
	FY 2005	\$86,491,625	\$86,229,000	\$86,229,000
	FY 2006	\$88,773,250	\$87,279,500	\$87,279,500
	FY 2007	\$93,254,500	\$93,254,500	\$93,254,500

Social Security Admi

Department of Social and Health Services

**Federal Funding Estimates Summary(Maintenance Level) by Program**

Version: 11		Federal Fiscal Year (Federal \$)	State Fiscal Year (Federal \$)	State Fiscal Year (State Share \$)
<b>Program: 080 Medical Assistance</b>				
Social Security Admi				
96.001	SS Disab Ins (100%)			
	FY 2004	\$32,137,750	\$31,872,000	\$0
	FY 2005	\$33,049,000	\$32,935,000	\$0
	FY 2006	\$33,566,250	\$33,391,000	\$0
	FY 2007	\$34,092,000	\$34,092,000	\$0
<b>Program 080 Totals:</b>				
	FY 2004	<u>\$1,945,471,250</u>	<u>\$1,944,549,000</u>	<u>\$1,802,351,000</u>
	FY 2005	<u>\$1,955,015,500</u>	<u>\$1,948,238,000</u>	<u>\$1,817,964,141</u>
	FY 2006	<u>\$2,001,552,500</u>	<u>\$1,975,348,000</u>	<u>\$1,859,318,151</u>
	FY 2007	<u>\$2,080,166,000</u>	<u>\$2,080,166,000</u>	<u>\$1,971,639,944</u>